QUIRK'S

Marketing Research Review

JULY 2008

Online research

> Navigating the online qualitative landscape

> Better questionnaires = better panel data?

> Comparing river respondents to panelists

Financial services research

> Questions loom for Boomer retirees

> Monitoring consumer lending practices with MR

Quirk's Marketing Research Review
Volume XXII Number 7

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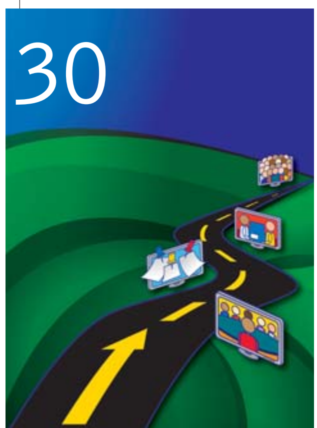

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New York	Jan 15-17
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IS PANEL DEAD?

in case you missed it...

news and notes on marketing and research

If you're happy and you know it, you might be religious and 65+

Religion and age are influential factors in Americans' overall happiness, according to a recent survey. Over 2,500 American adults were polled by Rochester, N.Y., research company Harris Interactive and asked about nine areas in their lives that contribute to their overall happiness to create a National Happiness Index, intended to track changes in happiness in the United States over time. This year's index stands at 35 (out of a possible 100).

People who describe themselves as "very religious" come in 10 points higher than America as a whole on the Happiness Index (45 percent compared to 35 percent are considered "very happy"). In contrast, just over one-quarter (28 percent) of people who describe themselves as "not religious" were measured at that level of happiness.

Older people tend to be happier, according to the Happiness Index. Less than one in three (29 percent) in the 18-to-24 age bracket are very happy according to the survey, compared to almost one-half (47 percent) of people age 65 and older. The survey results also show a clear trend in increasing happiness between those two age groups.

Other findings include: Women are 3 percent happier than men (36 to 33); married women are 5 percent happier than single women (39 to 34); and those without credit card debt are 6 percent happier than those with credit card debt (38 to 32).

Politicians could play the Games to stand for human rights

A majority of adults in Germany (55 percent) and France (54 percent) believe their respective leaders, Angela Merkel and Nicolas Sarkozy, should not attend the opening ceremonies of the Olympics in Beijing this summer because of human rights and freedom issues, according to a poll conducted by Rochester, N.Y., research company Harris Interactive. In addition, pluralities in Italy (48 percent), Japan (45 percent), the United States (43 percent), Great Britain (43 percent) and Spain (39 percent) also believe their country's leader should skip this year's opening Olympic ceremonies.

More than three-quarters of adults in France (84 percent) and half the adults in Germany (51 percent) say they have heard a lot about the recent global protests surrounding the freeing of Tibet from Chinese rule. Pluralities in China itself (46 percent), Great Britain (44 percent) and the United States (41 percent) have also heard a lot about these protests; and at least three in five adults in Italy (60 percent), Japan (66 percent) and Spain (68 percent) have heard at least a little about the protests. Three-quarters of adults in Italy (75 percent) and Germany (74 percent); two-thirds of adults in Japan (69 percent), France (67 percent) and Spain (64 percent); and a majority of adults in the United States (59 percent) and Great Britain (53 percent) all believe Tibet should not be under Chinese rule.

One of the issues surrounding all of these concerns is human rights as part of a foreign policy strategy. Very strong majorities in the five European countries, the United States and Japan (between 56 percent in Japan and 85 percent in Italy) believe that human rights should be a central figure of their country's foreign policy. Interestingly, a plurality of Chinese adults (45 percent) believe human rights should be a central part of China's foreign policy compared to 38 percent who say that it should not be a central feature of their foreign policy.

Aging hip-hoppers eager to spend if it feels real

Even hip-hoppers have to age, and the demographics of hip-hoppers/young urbans are shifting. This may mean a bright future for marketers because the earning power of older hip-hoppers only stands to increase, according to The Young Urban Consumer Market in the U.S., a report from the Packaged Facts division of Marketresearch.com, Rockville, Md. For the study, hip-hoppers are defined as those who choose hip-hop music as a favorite music type in the Simmons Consumer Surveys of adults and teens.

Currently, 12-to-17-year-olds represent the largest segment (13 million) of young, urban consumers, but 25-to-34-year-olds are close behind (12.1 million), followed by 18-to-24-year-olds (11.6 million). The youngest group is expected to actually decline by 4.2 percent over the next five years, and the middle group is projected to grow just 2 percent. Meanwhile, the older hip-hoppers will increase by nearly 5 percent, to reach 12.7 million.

The oldsters account for two-thirds of the overall young urban market's aggregate income, and their aggregate income is expected to jump by 17 percent (from $402 billion to $468 billion) by 2012. The youngest group's income will rise 7 percent, to $45 billion, and the 18-to-24-year-olds' will grow 14 percent, to $171 billion.

Hip-hop seniors are more likely than their younger counterparts to be employed in management and professional jobs. Further, young urbans at the older end of the scale share the attributes that make marketers salivate over this overall relatively young segment of the population: unusually high brand loyalty; a penchant for spending their money now on goods ranging from electronics to cars rather than saving; and an unusually strong influence on product and fashion trends within the broader marketplace.

And the golden ticket to hip-hoppers' hearts remains the same, whatever the shift in age pattern within the group: authenticity.

Product placement works well on this group, but credibility is key. Brands that have benefited most from hooking up with hip-hop artists are those that have been prominently featured in lyrics without the complicity of the brand (Courvoisier sales leapt after Busta Rhymes wrote a rap song about the French cognac); or are apparently spontaneously embraced by hip-hoppers (the Cadillac Escalade); or were apparently used by the artist prior to his or her becoming a brand spokesperson (50 Cent for Coca-Cola's VitaminWater).


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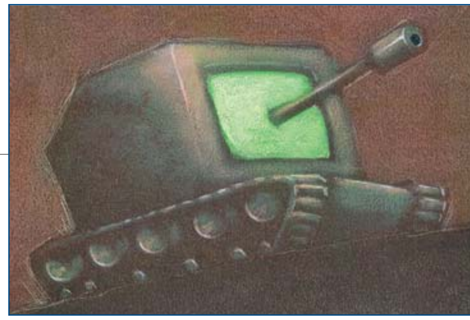

Editor's note: War Stories is an occasional column in which Art Shulman, president of Shulman Research, Van Nuys, Calif., presents humorous anecdotes of life in the research trenches. Send your own (or a colleague's) tales of research-related wackiness to him at artshulman@aol.com. Contributors may remain anonymous.

In the college class I teach, I assign a group project where students design a market research program for a product of the group's choosing. It is not unusual during this process for students to give out samples of the types of products they are dealing with. Usually this involves stuff like candy or chips. But one particular group presented their research on condoms.

At the end of the presentation one of the group members, an attractive coed, handed out condoms to those in the room, including myself. I placed my condoms in my briefcase and promptly forgot they were there. A couple of weeks later, at home, my wife asked me if I knew where certain paperwork was - something related to taxes - and I told her to look in my briefcase.

Sure enough, moments later she approached me with my briefcase in one hand and a condom in the other hand, asking, "And, uh, exactly why was this condom in your briefcase?"

"Because," I began, "one of the women in my class gave it to me. She was very attractive."

Fortunately I have a very understanding wife who believed me when I told the full story.

Holly M. O'Neill of Talking Business was moderating focus groups in Manhattan when she encountered an unusual transportation problem. This was her first project with a new agency client and she was very eager to get to the facility early.

She stood outside her financial district hotel and enlisted the help of a bellman to hail a cab, to no avail! It was about 4:30 p.m., which, unbeknownst to her, is the time that taxi drivers change shifts, meaning very few taxis were available for hire. The few who would take a fare did not want a short trip. After about 30 minutes of waiting, she took the only transportation available to her: a pedicab! She hopped in the small carriage with her carry-on suitcase full of stimuli and the driver started pedaling. She ended up arriving quite late, after her clients, but those 20 or so blocks turned out to be a pleasant ride, she reports.

Russell Richey of ESWS/ Marketing Research & Planning relates an experience he had some years ago when he was on the supplier side of qualitative research, conducting focus groups for a Christian organization in Dallas.

He was having a nice lunch, discussing business with his clients, and when asked how he was enjoying being in Dallas for the first time, he told them Dallas was a really neat city, and he'd been sampling a lot of the local cuisine and nightspots.

"Where have you been so far?" one angelic little old church lady asked.

With enthusiasm, he answered: "Well, I've been to the most fantastic tapas bar - I loved it, the atmosphere was great, the service was wonderful and I am definitely going back for some more!"

There was embarrassed silence on the part of his chaste clients.

Not catching on, he continued: "Do y'all go to any tapas bars here - can you recommend a good place for tapas?"

More silence and now looks of irritated indignation.

Rather than a lively restaurant serving Spanish appetizers - a tapas bar - these good Southern Baptists thought he was saying "topless bar" and were incredulous that he would be mentioning his patronage of such profane and unsavory dives, not to mention soliciting recommendations as to which topless bar they thought might be worth visiting!

Needless to say, the clients and he were both relieved to clear up this misunderstanding.

Laura Worick of The MSR Group was working with a new client to conduct a focus group with customers who utilize the organization's Web site. After their initial discussion, she prepared the discussion guide and sent it to her client. Upon receiving the guide, her client called to say that after looking it over with her boss they thought perhaps she was "asking too many open-ended questions."

That seems like an interesting approach. Perhaps the next time I conduct focus groups I'll try asking only closed-ended questions.

In future issues, we hope to report on more quirky, loopy and strange happenings in the world of market research. But we can't do it without you! If you'd like your story to be told - anything related to research is usable, from spilling soup on your client's new suit to cute answers respondents provide on questionnaires - please e-mail me at artshulman@aol.com. You may remain anonymous in print, if you wish. | Q

Gen Y may find hungry piggy banks come retirement

Despite an uncertain economy and warnings about future shortfalls in Social Security funding, today's young adults are not stepping up to save for retirement. A recent report from Chicago research company Mintel reveals that over two-thirds (69 percent) of Generation Y (those age 14 to 31) workers who can participate in a tax-deferred 401(k) retirement savings plan are not doing so.

"Today's young adults will likely need to rely more on individual savings for retirement than their older counterparts. But so far, they aren't preparing to do so," says Susan Menke, senior analyst at Mintel.

Financial advisors could help Generation Y realize the importance of long-term savings. By encouraging young adults to make small monthly contributions to a retirement account, advisors can help them build a nest egg slowly but surely.

However, most financial advisors aren't focused on Generation Y. Mintel found that teens and twentysomethings make up only 5 percent of financial advisors' client base. "Advisors still primarily target wealthier, older adults," says Menke. "With less disposable income, Gen Y isn't seen as a lucrative clientele. But financial advisors are missing the opportunity to catch young adults now and keep them as they grow older and richer."

The Mintel Comperemedia service, which tracks trends in direct marketing, confirms that most direct mail campaigns for investment products are sent to older Americans. In 2007, adults aged 30 and under received only 2 percent of investment direct mail offers tracked by the service. In contrast, adults over age 60 got 41 percent.

Mintel Comperemedia does show some companies making an effort to target Gen Y. For instance, USAA promotes an IRA with no fees and a low minimum contribution to encourage younger adults to start saving so their money can grow over time. Likewise in direct mail, Bank of America targets tech-savvy youth by promoting an online integrated platform for its brokerage accounts. The bank also highlights its automatic investment plan for added convenience. For more information visit www.mintel.com.

Focus groups flourish despite budget cuts worldwide

While some question the value of focus groups, you can't argue with their popularity. Figures released in April by FocusVision Worldwide show that global use of focus groups increased 3.5 percent in 2007, to 537,000 total groups conducted, the second consecutive annual increase. And for the first time in four years, non-U.S. growth outpaced U.S. growth, according to the Stamford, Conn., research firm's 2007 annual Focus Group Index.

U.S. growth slowed to 2.9 percent (increasing to 255,000 groups) compared to a reported total research spending growth rate of 6 percent. This is attributed to moderate shifts to other qualitative methodologies, such as online bulletin boards and ethnography studies. U.S. growth also suffered slightly from the slowest increase in advertising spending in years, as well as flat-to-declining qualitative market research spending from the pharmaceutical and financial sectors.

U.S. focus group facilities reported declining average billable amounts for focus facility services due to aggressive price competition and direct involvement from end-client procurement departments. Other trends reported include small shifts from traditional eight-to-10-respondent groups to more intimate dyad and triad formats. Qualitative/quantitative hybrid projects are also increasing. These projects involve response meters and survey components, as well as sensory and product studies encompassing high numbers of respondents over multiple days.

Non-U.S. growth activity continued strong at 4.1 percent, in line with a reported 4 percent overall increase in 2007 research spending. There have been continuing high growth numbers reported from facilities in the Latin America and Asia-Pacific regions. Another trend is face-to-face interviewing migrating from in-home to focus facility venues in developing countries. For more information visit www.focusvision.com.

Looking for the digitally savvy? Look Southwest.

Austin, Texas, is the most digital-savvy city in the United States, according to a Scarborough Research study. Twelve percent of Austin adults are digital-savvy, and they are almost twice as likely as the national average (6 percent) to be in this consumer segment. Las Vegas, Sacramento, Calif., and San Diego are also leading digital-savvy cities, with 10 percent of their residents having this higher level of technological orientation and adoption, according to the New York research firm's Understanding the

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names of note

Austin, Texas, research company *In-Stat* has appointed **Greg Heikes** to director, primary research.

Research and Marketing Plus, Cardiff, U.K., has named **John Poole** head of research.

Los Angeles research company *MarketCast* has hired **Kevin Yoder** as managing director.

TVG Marketing Research & Consulting, Dresher, Pa., has promoted **Adam**

Porterfield Sternadori

Porterfield to associate vice president and **Lisa Sternadori** to vice president.

Mark McCoy has joined Redlands, Calif., geographic mapping software company *ESRI* as insurance industry solutions manager.

Baltimore research company *Observation Baltimore* has named **Judy Clarke** operations manager.

Stamford, Conn., research company *InsightExpress* has appointed **Jeff Gerken** as account executive; promoted **Ed Agvent** to senior manager, client relationships; and promoted **Ryan Grady** to account executive.

Ziment, a New York research company, has named **Nipa S. Clayton** director of client service and **Patricia M. Davis** vice president and director of client service.

DJS Research, Macclesfield, U.K., has appointed **Alasdair Gleed** as research director. **Leslie Hardie** has also joined the firm to support its team of five research directors.

Gongos Research, Auburn Hills, Mich., has made 11 appointments: **Mitch Sanders** to research director, analytics; **Duston Pope** to senior project director, consumer products; **Angel Muxlow** to senior project director, retail/services; **Amy Kendziorski** to project director, retail/services; **Megan Milczarski** to senior project coordinator, retail/services; **Joel Frost** to senior project coordinator, retail/services; **Matt Graton** to project coordinator, automotive/powersports; **Scottie Fisher** to project coordinator, automotive/powersports; **Jennifer Wroblewski** to project coordinator, consumer products; **Nichole Roose** to project coordinator, consumer products; and **Sandeep Nellutla** to senior developer, information systems.

Sanders Rogers

Research Inc., Nashville, Tenn., has hired **Isaac Rogers** as technology product manager.

Karl Feld, a manager at Vienna, Va., research company *D3 Systems*, has been re-elected chair of the legal/government affairs committee of the Interactive Marketing Research Organization, a division of the *Marketing Research Association*.

New York research company *TNS* has appointed **Pamela Godfrey** as senior vice president of the media and entertainment sector within the technology, media and telecom group.

The Research Intelligence Group (formerly Leger U.S.), Fort Washington, Pa., has added three senior research executives: **Bruce Shandler**, CEO; **Steve Levine**, president; and **Ron Cosgrove**, U.S. president of the health care division.

Menlo Park, Calif., research company *Knowledge Networks* has made four new hires: **Katherine Anne Binns** has joined the New York office as senior vice president, client service; **Erica Wiegel Desroches** has joined the New York office as vice president; **Bittie Behl-Chada** has joined the Needham, Mass., office as associate vice president; and **Tristan Gaiser** has joined the Chicago office as associate vice president.

Zussi Research, Sheffield, U.K., has hired **Louise Suckley** as senior research executive and **Carl Hadi** as data analyst.

New York researcher *The Nielsen Company* has named **John Burbank** CMO.

Cynthia Tubb has joined Knoxville, Tenn., marketing and advertising company *Shelton Group* as quantitative analyst.

U.K. research company *Mintel* has appointed **Robert Santiago** as director of thought leadership.

Audra Priluck has joined Los Angeles research company *OTX* as director, media and entertainment insights.

Donovan Batiste has been promoted to research director for *Hallmark Channel* and *Hallmark Movie Channel*, Kansas City, Mo.

Research company *Harris Interactive*, Rochester, N.Y., has hired **Andrew Freeman** as senior consultant for media research, Harris Interactive U.K.

In-Touch Survey Systems, Ottawa, has promoted **Lynda Partner** to president and COO; **Michael Kahn** to vice president and CTO; and **Pavla Selepova** to vice president, client services.

product and service update

New MRA portal solicits honest, anonymous feedback

The Marketing Research Association (MRA), Glastonbury, Conn., has launched a portal where clients, agencies and subcontractors can evaluate and comment on each other's services online. The exchange evaluation program (EEP) provides a platform where MRA members and non-members can post feedback about their research relationships, with reviews based on ratings of quality, communication and other factors taken into consideration when selecting a service or product.

To ensure a reviewer's anonymity, only a numeric ID number is shown, and this number can never be used by other EEP users to find contact information relating to a review. After a review is posted, it is held for 48 hours for verification by an MRA staff member who checks that the project actually took place but does not censor the comments in any way. Once verified, reviews are featured individually until such time that 10 reviews have been posted, when the scores become cumulative.

If anyone posts a negative review which either party disputes, the MRA has a system in place to intervene to try to resolve the issue. If the posting is proven to be false, the MRA will take it down immediately. However, if the accused party sticks by their rating, and it cannot be proven to be inaccurate, then the feedback will remain posted.

Future plans include adding extra language options to ensure that the portal will be used globally. For more information visit www.mra-net.org.

FootPath hot on shoppers' trail

Portsmouth, U.K., research firm Path Intelligence is testing surveillance technology that continuously tracks mobile phone signals to help understand the movement of shoppers as they flow through retail centers or public amenities. The firm's FootPath system allows shopping center managers/owners, airport and railway station managers, exhibition centers, art galleries and museums to obtain data about the path that their visitors take. For example, the technology logs when people enter a shopping center, what stores they visit, how long they stay there and what route they take as they wander around. The system monitors signals produced by mobile phones and then locates each phone using triangulation – measuring the phone's distance from three receivers which are placed on walls around the center.

Through this technique, it is possible to gather data on how many people are in a store at a specific time, how many customers visit specific stores and how shoppers group stores together. In addition, the firm says that the system can also help organizations optimize the layout of their space and improve their retail tenancy mix. For more information visit www.pathintelligence.com.

Data Central integrates with Confirmit platform

Oslo, Norway, research software company Confirmit has launched Confirmit Data Central, a new version of the former Pulse Train data processing tool, which is designed to streamline data processing functions. Confirmit Data Central includes enhancements designed to provide integration with the Confirmit platform and increase performance and productivity.

A new Confirmit XML operation within the tool allows users to connect to a Confirmit system, extract data for processing and then upload processed data for reporting purposes. Confirmit Data Central now supports Triple-S XML 2.0 and provides an operation for upgrading Triple-S classic files to this format.

Other developments to the Confirmit Data Central tool include an improved topline report operation; ability to add notes to each object in the data processing workflow; improvements in refreshing and running projects; an improved data cleaning operation; and an improved data extending operation (creating new variables). For more information visit www.confirmit.com.

SPSS updates predictive analytics platform

Chicago software company SPSS Inc. has released a new version of its predictive analytics platform SPSS Predictive Enterprise Services 3.5. New features include improved automation based on events, additional model management techniques and expanded reporting options designed to improve visibility of analytic results.

The platform provides a foundation to manage and automate the analytic process and integrates with all SPSS products and existing enterprise infrastructures. It also provides organizations with a single data access layer for building and deploying predictive models within operational systems to improve customer interactions within marketing campaigns, call centers and through the Web.

The Predictive Enterprise Services 3.5 platform enhancements include event-based automation, enhanced model management, additional reporting options and easier deployment of predictive models. For more information visit www.spss.com.

NielsenHealth encourages consumer-centric service

New York researcher The Nielsen Company has debuted NielsenHealth, a service intended to provide transparency, effectiveness and efficiency for clients seeking a better understanding of the health care consumer. NielsenHealth is designed to provide clients with consumer-centric analytical tools to understand and address the attitudes, behaviors and needs of patients and physicians.

NielsenHealth is designed to help clients, like pharmaceutical and over-the-counter manufacturers, improve how they target, reach and communicate with patients, consumers and

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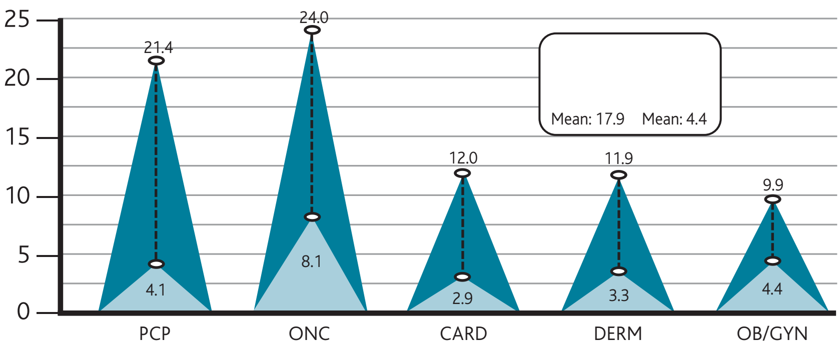
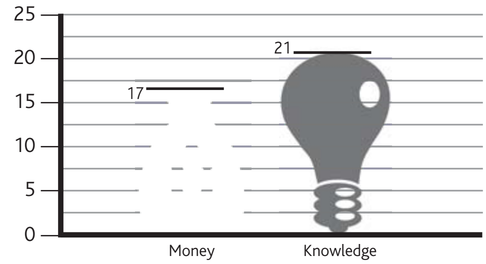
DO CASH INCENTIVES AFFECT THE QUALITY OF THE RESPONDENTS AND THE RESULTS?

In October 2007, using our internet-based tool OlsonOnline™ and proprietary healthcare database, Olson Research surveyed more than 500 US-based physicians to explore how their motivation for participation in marketing research studies affects the nature and quality of their responses.

of Marketing Research Studies in 2006

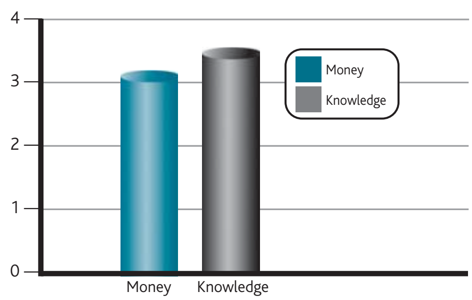


Survey Participation by Motivation

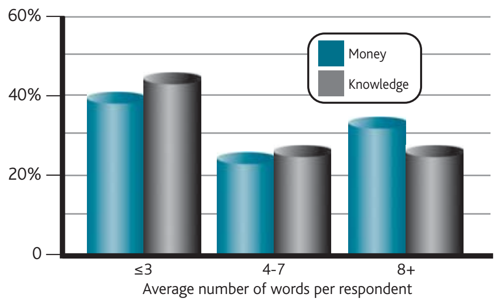


Those motivated by knowledge participate in almost 20% more surveys per year than those motivated by cash incentives.

Rating Scale



Verbatim Responses

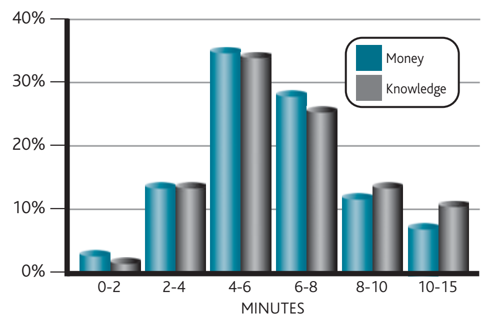


Key Findings

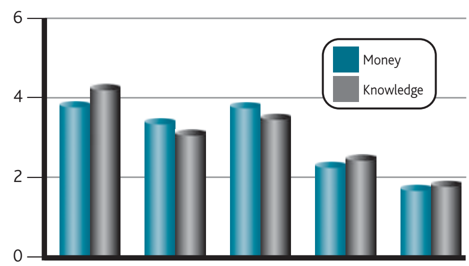
The physicians motivated by cash incentives are:

- Less likely to be over sampled than those motivated by knowledge
- Take as long, thoroughly visit and say as much in open ended responses as those motivated by knowledge
- Show no significant variation in rating and ranking scores than those motivated by knowledge

Time to Complete



Ranking Factors



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research industry news

News notes

Leger U.S. has changed its name to **The Research Intelligence Group** and will market under the name TRiG. U.S. headquarters will be in Fort Washington, Pa.

Global Market Insite Inc., a Seattle research company, has increased the size of its Singapore consumer panel from 40,000 to 85,000 double-opted-in members.

InfoUSA, an Omaha, Neb., research company, has changed its name to **infoGROUP**.

An institutional investor has filed a lawsuit against New York research company **Arbitron**, charging the firm with "false and misleading statements" regarding the rollout of its Portable People Meter (PPM) service. The complaint alleges that between July 19, 2007, and November 26, 2007, (the "class period"), Arbitron failed to disclose that the scheduled implementation of its PPM service was not performing according to internal expectations and that, as a result, the company would have to delay its implementation in nine of the planned markets.

Because of this delay, the suit says that Arbitron lacked a reasonable basis for its positive statements about the timing of the implementation, as well as its prospects and future earnings. During the period, Arbitron reiterated its guidance that revenue would increase between 5.5 percent and 7.5 percent for the full year 2007. In response to this announcement, share price rose more than 12 percent to $5.46. According to the suit, at this point CEO Stephen Morris and CFO Sean Creamer "took advantage of this temporary inflation in the company's stock" and sold 154,334 shares, reaping more than $7.7 million. Following the announcement of the delayed PPM rollout, Arbitron stock fell $7.21 per share, or over 14.74 percent, to close at $41.70 per share.

The suit seeks to recover damages on behalf of those who purchased shares during the class period, and the plaintiff has demanded a trial by jury.

Requesting that any definition of online behavioral tracking exclude survey, opinion and marketing research, the **Council for Marketing and Opinion Research** (CMOR), Glastonbury, Conn., urged the Federal Trade Commission (FTC) to flesh out and clarify its admittedly "broad definition" of online behavioral advertising.

"As currently conceived, the FTC's definition could include and restrict behavioral tracking for legitimate research purposes, including the use of cookies," said Howard Fienberg, CMOR's director of government affairs. "The FTC's position could strangle many possible new methods of research - methods that could better serve consumer choice and privacy than current methods - before they've even been conceived."

Emphasizing CMOR's support

continued on p. 91

Calendar of Events July-November

LIMRA International Inc. will hold its multicultural marketing strategies conference on July 8 in Toronto. For more information visit www.limra.com.

The American Marketing Association will hold its summer marketing educator's conference on August 8-11 at the Sheraton San Diego Hotel & Marina in San Diego. For more information visit www.marketingpower.com/research.

IIR will host its Scope 2008 event, which is focused on segmentation, on August 18-20 at The Hilton La Jolla, Torrey Pines Hotel, in La Jolla, Calif. For more information visit www.iir-usa.com. Register with code XM2045Quirks to save 15 percent off standard rates.

Aberdeen Group will hold its annual chief marketing officer summit, themed "Best-in-Class Marketing," on September 4-5 at The Westin Hotel in San Francisco. For more information visit www.aberdeen.com/events/live/CMO08.

The American Marketing Association will hold its annual marketing research conference on September 14-17 in Boston. For more information visit www.marketingpower.com/research.

ESOMAR will hold its annual congress on September 21-25 in Montreal. For more information visit www.esomar.org.

PMRG will host a networking event from 6 p.m. to 8:30 p.m. on September 25, 2008, at the Sheraton Philadelphia Center City Hotel in Philadelphia. For more information visit www.pmrg.org.

IIR will hold its annual market research event on October 13-16 at Disneyland Hotel in Anaheim, Calif. For more information visit www.iir-usa.com. Register with code XM2045Quirks to save 15 percent off standard rates.

The Council of American Survey Research Organizations will hold its annual conference on October 15-17 in Palm Beach, Fla. For more information visit www.casro.org.

PMRG will hold the second annual meeting of The PMRG Institute on October 19-21, 2008, at the Sheraton Philadelphia City Center Hotel. For more information visit www.pmrg.org.

Frost & Sullivan will hold one of its Executive MindXchange conferences, themed 'The People, Processes and Technologies Delivering Customer Satisfaction, Retention, Loyalty and Growth,' on October 19-22 at the West Coast Resort. For more information visit www.frost.com.

The Marketing Research Association will hold its annual fall education conference on November 3-5 in Las Vegas. For more information visit www.mra-net.org.

IIR will hold its research industry summit, themed "Solutions that Deliver Quality," on November 6-7 at the Marriott Downtown Chicago in Chicago. For more information visit www.iirusa.com.

U.K-based Insight Show will hold its annual conference on November 18-19 at Earls Court in London. For more information visit www.insightshow.co.uk.

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

By Chris Gwinner

Protecting online survey data integrity

Editor's note: Chris Gwinner is a senior manager at Atlanta research firm Infosurv Inc. He can be reached at 404-846-6866 or at chris.gwinner@infosurv.com.

The increased popularity of online research can be mostly attributed to two words: faster and cheaper. In fact, these qualities are so powerful that online has now surpassed telephone as the leading research methodology. However, with any product or service, faster and cheaper can sometimes translate to lower quality and decreased reliability. To protect your research from this threat, data quality must be a top priority in all online endeavors.

While measurement error can occur at any stage of the research process, the first opportunity a researcher has to protect data integrity occurs before the first completed survey is ever collected. During the design phase of an online survey, researchers are using many techniques to identify and eliminate invalid response data. This type of response can typically be classified in one of three ways:

1. Inattentive – a respondent does not fully read or understand the instructions or question being asked.

2. Fraudulent – a respondent intentionally provides false data. This type of response most commonly occurs when a survey incentive is offered and the respondent is not qualified to participate.

3. Speeding – a respondent completes a study in an unreasonably short period of time.

Fortunately, each of these types of respondents can be identified via traps within your online survey. While these methods may not apply in every case, it is a best practice to include some combination of the following controls.

Question-based verification

Verification ratings are becoming more popular in online surveys and can be very effective in certain formats. This type of verification method is most effective in catching inattentive and speeding survey respondents who might otherwise straightline through your survey questions. The sample questionnaire shows an example of this preventative measure.

By including a checkpoint in the middle of a table-format question, researchers are able to verify respondents' attention and remove straightliners when necessary. A

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
Company X provides a quality product	❍	❍	❍	❍	❍
Company X delivers its products on-time	❍	❍	❍	❍	❍
Please verify your place in the survey by checking the 2nd box from the left, labeled "Disagree"	❍	●	❍	❍	❍
I would recommend Company X to a friend	❍	❍	❍	❍	❍

straightliner is defined as a respondent who selects the same answer choice (possibly with an auto-fill feature) throughout the survey, forming a straight line down the tables. In this example, if the respondent does not choose the "disagree" answer choice, they would be considered an invalid respondent.

Of course, there are other question-based verification methods that you can use in place of, or in combination with the example above:

Inconsistency. Simply ask for the respondent's zip code or city of residence both in the beginning and end of survey. If the respondent's answers do not match then they would be classified as a fraudulent respondent.

"Red herring." Within a list of possible answer choices, a nonexistent choice may be entered. For example, if a respondent claims to have eaten at a restaurant that does not exist, they can be flagged as a fraudulent respondent.

Opposite wording. Respondents are asked a pair of similar questions at different points in the survey. For example, "I always use the Internet for driving directions" and "I never use the Internet for directions."

Personal access codes

Another form of protection is the use of unique IDs for each survey respondent. Each respondent's unique ID or personal access code (PAC) can be embedded into their survey URL and used to determine a) if the respondent is authorized to participate in the survey, and b) whether the respondent has previously completed the questionnaire.

Personal access codes can be hidden or visible to the survey respondent.

Hidden. Used when respondents do not need to know that a unique identifier is being employed. This eliminates the possibility of survey respondents tampering with their code and allows demographic information to be embedded with confidence.

Visible. Used when you want the respondent to know they are using a code to access the survey. This gives survey respondents a sense of security and still allows demographic information to be embedded. If a survey respondent changes his/her PAC they can be screened before entering the survey or cleansed from the data set after fielding is complete.

The use of PACs helps guard against ballot stuffers and duplicate or unauthorized responses. As an added benefit, these codes can also be used to create demographic slices of the results, identify randomly-selected prize winners, pass back information to external sampling partners and trace respondents in appropriate situations after fielding is complete.

It must be noted, however, that personal access codes should be used with caution. In every case, the respondent's anonymity should be protected and controls must be in place to avoid linkage between the respondent's response data and any personally identifying information available to the researcher.

Time-elapsed verification

A third form of respondent verification is time-elapsed verification, which is used to catch speeders in market research surveys. These respondents are identified as not taking enough time to provide meaningful responses to your questionnaire. The basic concept behind this methodology is to verify a valid survey response by examining the elapsed time each survey respondent spends completing the whole survey or a section of the survey. An acceptable range for the survey completion time can be calculated in two ways:

An educated estimate based on the number of items in the survey. For example, three closed-ended questions per minute, one open-ended question per minute, six repeated-rating table items per minute.

Evaluating the average completion time of the sample collected. Once an acceptable range has been defined, any outliers would be removed and considered invalid respondents. For example, if the acceptable range is determined to be 10 to 20 minutes and a respondent completes the survey in two minutes, it is more than likely that he/she provided invalid data.

Other opportunities

While most quality controls can be built into the survey instrument and data analysis processes, there are several other opportunities available to researchers which help ensure quality data:

- Survey sampling. Most panel providers perform numerous quality checks during the enrollment phase, and continually during panel engagement and cleansing. As a researcher, you should be aware of the processes utilized by each supplier and mandate that sufficient quality control procedures are in place and utilized.

- Survey invitations, introductions and titles. When recruiting or introducing panelists to your survey, be sure to avoid language which may tip the respondent to the qualifications you are seeking. For example, if your survey invitation indicates that you "are looking for individuals who have purchased a soft drink in the past three months," the respondents who haven't done so may indicate that they meet this criteria in order to participate.

- Survey length and composition. Research has shown that the longer the survey, the greater the risk for respondent inattentiveness and abandonment. It is the researcher's responsibility to limit their questionnaire to an appropriate length and avoid composition flaws (i.e., long response grids, confusing language, etc.) which lead to respondent fatigue.

Quality data

These methods represent a few industry best practices, but by no means represent an exhaustive list. Steps must be taken during all phases of a research initiative to ensure that the resulting data is reliable, valid and actionable. It is the responsibility of online researchers to ensure that their clients are receiving quality data as critical business decisions are often based on these results. Continually taking these steps to protect data quality will increase confidence in online survey results across the industry and pave the way for more extensive online research in the future. | Q

By Tim Macer

mTABweb

Editor's note: Tim Macer, managing director of U.K. consulting firm meaning ltd., writes as an independent software analyst and advisor. He can be reached at tim.macer@meaning.uk.com.

You may be skeptical about running your office software under one of the Web-based ASP or "Software as a Service" (SaaS) solutions, and you may not be ready to move your financial accounting systems to SaaS quite yet. If the Internet is sluggish, it soon becomes tedious and unproductive to work on documents, spreadsheets and presentations - the screen is two steps behind you all the time. Enterprise-wide business-critical operations such as accounting open up issues of control and ownership, especially at key times such as tax reporting deadlines, when you may notice the servers taking a hammering from all the other customers.

Switching from a desktop-based survey analysis tool to a Web-based one, however, makes perfect sense. The odd bit of balkiness in the performance of the Web-based software is a price worth paying to let users get their hands on the data several days sooner or allow research departments to distribute the data to all their end-users with a few clicks. The issues of resource competition and ownership are more manageable too.

Yorba Linda, Calif., software firm Productive Access Inc. (PAI) perhaps took more of a gamble than other players, bearing in mind the name of the firm, when deciding to port its mTAB desktop survey analysis program to the Web, given the product's 15-year pedigree. But the result, mTABweb, is a faithful reproduction of this ingenious-to-the-point-of-quirky analysis tool. It runs in a Web browser, with full drag-and-drop control, achieved through Java. It isn't as fast as the desktop mTAB, but the Productive Access name is at least safe: If you have a stable Internet connection it gives perfectly acceptable performance. The software is optimized to run under Windows with Internet Explorer 6 or above but it also runs acceptably on other platforms, including on a Mac in Safari, in my tests (though slightly less successfully under Firefox).

Why quirky? Because the interface hinges - quite literally - on a simulated ring-bound desk organizer, with a series of tab dividers on either side that let you choose which two pages you wish to show side-by-side (Figure 1). You select the variables to tabulate from the Questions tab and by opening the Row tab or the Column tab you make your choices for stubs and banners. There are other tabs for choosing filters, switching datasets or adding in a third level beyond the banner and stub. Percentage and respondent base selections are easily selected from drop-down menus.

When your table is assembled, you click a button in the toolbar and the table is generated and presented in the same window, which now switches to

mTABweb from Productive Access Inc. (www.paiwhq.com)

Pros
- Highly functional yet simple and intuitive to learn and use
- Supports time series and groups real numbers and dates sensibly
- Cross-platform - Windows and Mac

Cons
- Setup of surveys via PAI or an affiliated DP bureau only
- Interface a little tired and dated
- Limited user access rights management - at survey level only

Raising the Bar for Online Research

Common Knowledge delivers unrivalled data reliability and integrity.

	Gold Standard for Online Research	Ordinary Online Research
No-Satisficers Guarantee™ ensures data integrity	✔	
500+ target selects allows precise targeting, leads to lower data collection costs and higher response rates	✔	
Scientific sampling ensures reliable, representative data	✔	
Multi-sourced recruiting provides a more balanced sample pool	✔	
Verification eliminates duplicate and fraudulent members	✔	
Category exclusions help keep responses fresh	✔	
Engaging surveys and reward systems keep respondents motivated	✔	Sometimes
Invitation and completion limits deter "professional" and fraudulent respondents	✔	Maybe

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a single panel. One of a line of buttons shows the ring-binder icon, and this lets you flip back to the set-up at any point. It looks disarmingly like an Excel spreadsheet, although it isn't (Figure 2). However, it gives the output window a very intuitive feel to users. Buttons on the toolbar and a right-mouse button menu open up a wide range of options for finessing the output, from omitting columns or rows to selectively adding shading or borders.

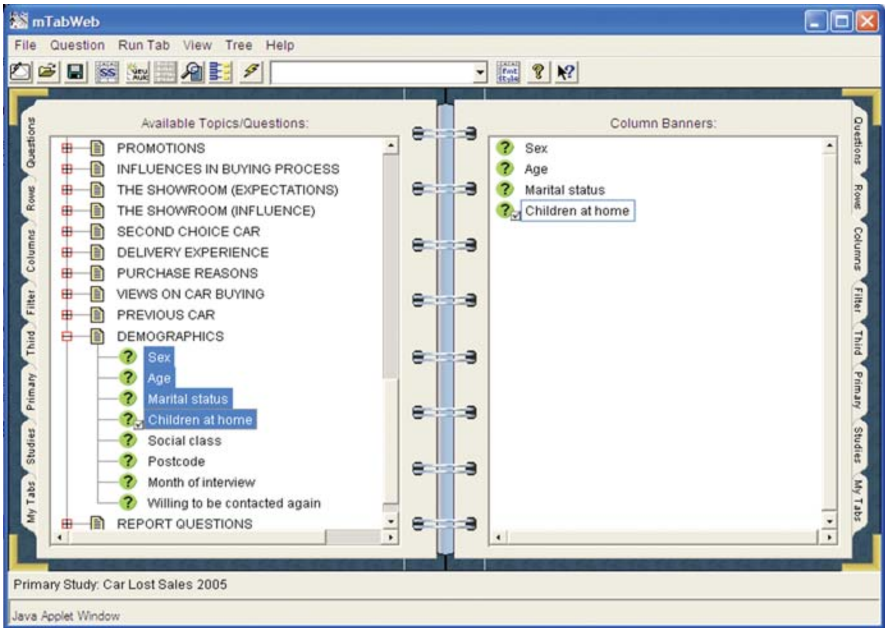

Figure 1: The unusual personal organizer-style interface of mTAB and mTABweb makes it very easy to flip through the options when building tables.

Level of sophistication

The almost cheery simplicity of the interface and ease by which you can move from data to tables belies this program's actual level of sophistication as a serious survey analysis tool. Look at any of the features or options and you will find an intelligent set of capabilities. If you need statistics, there are means, standard deviations, medians, chi-square and t- and z-test scores. It will also automatically create top-two and bottom-two box scores for any rating scale-type question without requiring any recoding.

Filters and new variables are also easily created using graphical editors. There is a range of built-in options for cutting numbers into categories or ranges, as well as intelligent handling of date fields. An interview date can be converted into a profiling variable based on calendar months or fiscal quarters with surprising ease, which is particularly handy on trackers.

The support for trackers goes much further. You can combine different datasets and there are tools for managing the differences between the waves of a tracker within the software.

Back in the analysis view, once you have viewed a table, you can save it, give it a name and come back to it later. You can also select a portion of it and turn it into a chart (Figure 3). There are a dozen chart styles to choose from, though the output styles are limited, compared to Excel or PowerPoint. However, you can also run correspondence analysis in the charting module and display these as maps. These too can be saved or pasted into presentations and reports.

Data available to many

PAI's customers are typically research buyers rather than research companies. One such customer is Pulte Homes, a new-home builder operating across the United States. It uses mTAB and mTABweb to make survey data, such as information from its ongoing buyer's profile survey, available to marketing managers and decision makers across the company.

Jim Rossiter is the firm's vice president, strategic marketing for the Great Lakes and Northeast regions and has close to 15 years of experience using mTAB and mTABweb. "One of the great things about it is that by putting data into mTABweb it's so easy to make that data available mTabWeb

	Sex			Age					
	Formatted Sample Total	Male	Female	Formatted Sample Total	Under 24	25-34	35-44	45-54	55-64
Q12/13. Media areas consulted (all mentions)									
Unweighted Sample Total Count	4,951	2,936	2,015	4,951	177	781	1,397	1,112	821
Brochures from dealer/manufacturer	53%	55%	50%	53%	50%	55%	57%	56%	49%
Monthly car magazines	31%	36%	24%	31%	37%	37%	37%	31%	24%
Specific TV motoring programmes	26%	29%	21%	26%	28%	33%	28%	26%	22%
Reports in national newspapers	19%	23%	15%	19%	18%	14%	19%	21%	23%
Reports in colour supplements	15%	18%	12%	15%	14%	13%	16%	15%	17%
Reports in local newspapers	13%	14%	12%	13%	24%	12%	11%	13%	16%
Weekly car magazines	10%	11%	7%	10%	10%	13%	10%	11%	7%
Reports in regional newspapers	5%	6%	3%	5%	8%	5%	5%	4%	6%
Specialist fleet magazines	3%	4%	2%	3%	3%	3%	4%	4%	2%
Teletext	1%	1%	0%	1%	2%	0%	1%	1%	0%
Other TV programmes	6%	7%	6%	6%	10%	7%	7%	6%	5%
Other	16%	16%	15%	16%	21%	17%	16%	17%	16%
Not read magazines	43%	38%	50%	43%	38%	39%	39%	40%	47%
Formatted Subset Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Formatted Sample Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Primary Study: Car Lost Sales 2005

Java Applet Window

Figure 2: Tables are presented to the user in an uncannily Excel-like window, where display and output options are easily applied.

to many, many people around the company, instead of having to move files around or train other people on more complicated applications, and it is accessible to everyone. We can take a group of non-technical marketing analysts and put in their hands a lot of data they can manipulate very quickly."

Rossiter is often involved in familiarizing new users to mTAB products, and finds that 30 minutes is usually sufficient to provide a useful grounding in the programs - enough for people to be able to dig into the data for themselves. "People are pretty impressed with how simple it is, especially people who do the same kinds of things in other applications and recognize how something that might take them 10 minutes in another application, they can do in 30 seconds in mTAB," he says. "The whole power of the thing is the speed by which you can do these tasks. If it takes you too long to figure it out, you might never get to the results you want. If I have mTAB and can figure it out in minutes, I can probably come up with better answers than I would over the course of hours or days."

Among his favorite features are those for recoding data and breaking the raw values into intervals and groups. "It's fantastic to have a lot of detail in monetary values - in our database we will have the actual purchase price paid in specific dollars. I can very quickly look at customers that spend under this much one day, and then turn those into $10,000 ranges for something else I am looking at the next day. I always like to keep the detail and then aggregate up from that. And with dates, you can aggregate these into time periods and compare quarter-on-quarter - that is very useful."

The ease by which findings can then be moved into Excel and PowerPoint is another advantage, he

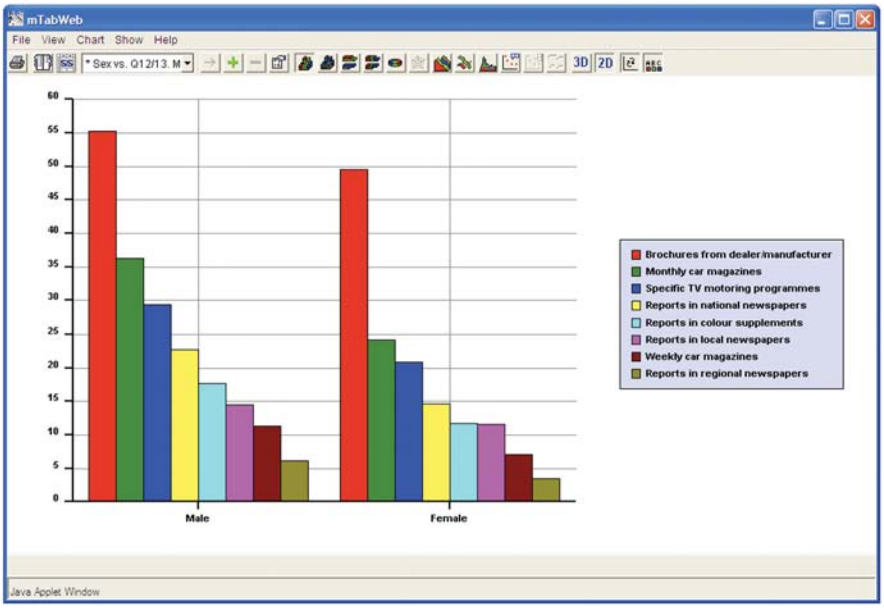

Figure 3: Any portion of a table can be given a graphical treatment, though the display options in charting are limited.

says. "Often the user will export data into an Excel form and generate presentation materials, which people are very comfortable doing. We also have some custom reports that we have set up with mTAB which export data into Excel on a quarterly basis and this is then posted up on a server where everyone has access to it."

Direct import capability

One reason why the product has been less appealing to research companies is the business model behind the software: customers must send their data to PAI or one of its associated companies, which will convert the data into an mTAB project database. The software is essentially costed on a per-project basis, which includes this setup charge. However, this is likely to change when PAI introduces a direct import capability from SPSS datasets later this year. Other data-importing enhancements would open the software up considerably.

Compared to other Web-based end-user analysis tools, the other obvious missing element in the software is user rights management. While access can be restricted at a dataset level, large enterprises often need more granularity - such as to restrict certain variables or even turn on and off functionality within the software.

My only other negative observation is that the port to the Web, while it is faithful to the original, makes for a slightly strange-looking interface on the Internet and the program feel rather dated. Dare I even suggest it's time to downplay the desk organizer look?

Overall, a better analogy for both mTAB and mTABweb is to a PDA such as the Palm or BlackBerry - it looks quite modest from the outside, but get it in your hands and you keep discovering more to use and more uses for it. | Q

online research

By Sonya Turner

Navigating the online qualitative landscape

It was not long ago that online research was thought of as a new frontier. Promising, yes, but little understood and not yet proven. Those days seem like ancient history now, as online research has evolved into a mainstream, accepted practice that is seeing tremendous growth year over year.

Despite this growth, online qualitative research still represents a small piece of the overall online research spending pie. But over the past decade, a number of methods and solutions have emerged that marry qualitative with the online space, creating an ever-expanding array of options to meet researchers' needs.

Choosing the right approach comes down to serving each project's needs

As a result, researchers are now trying to understand the latest online qualitative tools while evaluating the strengths and weaknesses of each one so that they can select the best fit for their particular needs. And, as this sector of the industry continues to develop and innovate at breakneck speed, it is perhaps more critical than ever to weigh the options before making a decision.

So what is online qualitative research? At its core, qualitative research is based on the same fundamental principles and ideas, and designed to accomplish the same general goals, whether it is conducted using traditional methods or online. In a focus group facility in Atlanta or via a virtual bulletin board system, the purpose is still to hear feelings, reactions, opinions and emotions in people's own words.

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That said, the most familiar traditional models, and some entirely new ones as well, each offer a slightly different approach in the online sphere. Four of the most commonly used methods of conducting qualitative research online are online focus groups; online bulletin boards; online one-on-one interview sessions; and online communities.

While these are by no means the only ways to conduct qualitative research online, they represent the most widely-accepted and -utilized approaches. Each one will be discussed separately below.

Additionally, there are solutions available that incorporate elements of these distinct methodologies - such as real-time interaction, multimedia stimulus and online moderating - into a hybrid-type offering.

Power and relevance

In discussing online qualitative research, it is important to bear in mind that its power and relevance stem not just from its potential to substitute for traditional offline methods. It is also a way for companies to conduct qualitative research in situations that might not have been possible before, and with audiences that were previously harder to access.

Traditional qualitative studies are often ruled out as too expensive or time-consuming - factors that remain critical barriers in today's faster-paced business community. However, the growing assortment of online qualitative tools has rendered many of these objections moot as the benefits become clear:

- Speed. Studies can be deployed and completed in a matter of days, with transcripts instantly available for review.

- Cost. Because moderators and clients do not need to travel to far-flung facilities, savings in both time and cost can be significant.

- Geography. Diverse and wide-ranging groups of participants can be assembled for a single project easily and without requiring travel. Hard-to-recruit or low-incidence groups are less of a challenge as well.

- Candor. Because the online setting affords participants a degree of privacy, they are often more comfortable discussing sensitive topics and sharing unpopular opinions than they would be in a traditional face-to-face setting.

- Access. Clients are able to view sessions in real time, interact with the moderator and provide feedback.

- Relevance. Many respondents are comfortable with interactive communication and may embrace

the opportunity to participate in research using online techniques that seem less intrusive than traditional methods.

A note about recruiting: In discussing developments in online qualitative research it is critical to remember that each of them hinges on the same non-negotiable fact as offline qualitative research: The results will only be as good as the respondents involved. As unique as any one tool or methodology may be, the crux of the issue is making sure that you are talking to the right person in the first place.

Online focus groups
Online focus groups function much in the same way as traditional focus groups but are conducted in an online setting, typically a virtual focus group facility. Moderators and participants take part in the group remotely but in real time. Their typed questions and answers are visible to all participants in the group as well as clients who observe the sessions.

On the surface, online focus groups seem like a fairly literal translation of the traditional method into the online space - participants are recruited, a guide is developed, stimulus material may be provided and a moderator leads a discussion among eight to 15 individuals as clients observe and provide feedback. As with traditional focus groups, clients can observe an online group, pass questions to the moderator and otherwise participate in the session as it develops.

However, despite these superficial similarities, because of the subtle differences in factors such as the group dynamic, the role of the moderator and the experience of the participant, it would be inaccurate to describe an online focus group as a traditional group conducted via computer.

Strengths and weaknesses of online focus groups
It may seem counterintuitive to consider that both the greatest strength and the greatest weakness of the online focus group methodology stem from the same thing - the fundamental difference in the group dynamic in online and offline settings.

In a traditional focus group, managing the interaction and direction of the group is among the moderator's greatest challenges, and requires:

- keeping dominant personalities in check;
- drawing out reticent or bashful individuals;
- encouraging side discussions but ensuring that they don't devolve into tangents; and
- pacing the conversation to ensure that the allotted time is maximized.

In an online focus group, a moderator must work harder to create and maintain a robust group experience. In the absence of eye contact, body language and other visual cues, eliciting feedback and expansive answers can require constant probing. Moderating online focus groups can pose a challenge for some, who find that the fast pace and technical elements of managing a session can interfere with their ability to keep the content on track.

However, the added degree of separation afforded by the virtual setting is also a tool that can add candor to responses. Because participants are protected by the virtual divide and feel less pressure to impress or please the group, their response is often more direct and unvarnished.

On the flip side, because online participants are typing rather than speaking, and typically craft their responses to a question quickly but without necessarily hearing what their colleagues in the group have said, feedback can require more effort to move past the basic and get to the real meat of an issue. In a traditional focus group, participants build off each other's comments, but this may not happen as smoothly in an online group.

Applications
Fundamentally, online focus groups are appropriate for the same types of research needs as traditional focus groups, including brainstorming, ideation or concept and ad testing.

Therefore, the decision to incorporate online focus groups into the research toolbox is often made when it is simply not feasible or necessary to conduct traditional groups. Moreover, online groups can, in certain situations, be the more appealing option as they can be planned and executed quickly - days and hours rather than weeks and months. Because there are few, if any, geographic limitations, the need to travel is eliminated, saving time, expense and, not insignificantly, hassle.

Online bulletin boards
Online bulletin board is the research-

specific term for what many of us know as message boards. Very similar in principle to a focus group, online bulletin boards allow a group of 10 to 20 participants to engage in an asynchronous, ongoing discussion by posting answers to questions posed by a moderator over the course of a few days to a few weeks.

The basic structure of setting up an online bulletin board (sometimes referred to as an online bulletin board focus group) is quite similar to that of a focus group, with recruiting, screening and guide development happening in much the same way. The format also makes it simple for moderators to post images or other stimulus material on a virtual whiteboard for participants to review, mark up and otherwise comment on.

A bulletin board project begins with a moderator posting an opening question, along with ground rules and procedures, which participants then log in and respond to. Over the course of the project, the moderator repeatedly logs back in, reviews responses and posts follow-up questions to individual respondents as well as to the entire group. In some cases, group members converse with each other, posting responses to what their fellow groups members have said.

Strengths and weaknesses of online bulletin boards

Because online bulletin boards take place over a relatively extended period of time, feedback from such sessions often tends to be more robust than that gleaned from online focus groups. Moderators can take the time to thoroughly review responses and probe as needed, while respondents can structure thoughtful answers to individual questions. The lack of real-time pressure (from either the moderator or fellow participants) can also encourage participants to be forthcoming on sensitive or uncomfortable topics.

This means that topics can often be more thoroughly explored than in the fast-paced, real-time environment of a focus group (traditional or online). Without the time constraints, moderators can be diligent in their follow-up questions and can tease out detailed responses from individuals who might otherwise dash off "quickie" answers.

The end client often finds the online bulletin board format helpful because the extended time frame allows them to monitor the discussion, confer with the moderator and adjust questions and objectives in a more relaxed manner.

On the other hand, because participants are answering questions without the real-time involvement, observation and coaching of the moderator, it is even more critical that the questions be precisely crafted to eliminate any danger of confusion. It is also essential that a moderator check in and prod respondents along during the course the project, otherwise the discussion can stagnate as participants lose focus and interest.

While this format can yield very rich feedback due to the amount of time respondents have to craft their answers, it also means that the cumulative effect of an ongoing, building, evolving conversation is harder to achieve.

Applications

Online bulletin boards are a compelling research methodology when a company requires in-depth information, wants to be able to explore topics and let discussion evolve slowly and, perhaps most importantly, when it has the luxury of time. This methodology can result in comprehensive, even exhaustive discussion, which translates to detailed and broad-reaching transcripts.

While bulletin boards are a productive tool for many of the project types outlined above, including product and package tests or brainstorming, their extended time frame also allows clients to use them for ongoing journal-type research chronicling, for example, experience using a product.

Online one-on-one interview sessions

Online one-on-ones are interviews conducted using instant message-based technology. A single respondent is paired with a moderator and participates in a real-time conversation that follows a discussion thread designed to accomplish predetermined objectives. This conversation is embedded into a quantitative study and on average lasts between 13-17 minutes.

One of the newer online qualitative methodologies, online one-on-one interview sessions adapt the fundamental idea of a one-on-one conversation to the specific context of online research. The purpose of these sessions is to incorporate qualitative feedback into online survey findings to add clarity and color to the statistics. Using a platform similar to instant messaging, moderators accomplish this objective by intercepting participants during the course of an online quantitative study and engaging them in a real-time, one-on-one discussion.

As with online focus groups and bulletin boards, participants can be exposed to various stimulus material, such as ad concepts, video and audio clips and Web pages.

Strengths and weaknesses of online one-on-one interviews

A key distinction between online one-on-ones and the other online qualitative methodologies discussed here is that each interview is a direct conversation between the moderator and the participant.

This private setting means that respondents do not experience the pressure or influence that can be created by the group dynamic that exists in a focus group, bulletin board or online community. From their position of virtual isolation and anonymity, participants feel a degree of freedom to speak their mind on difficult or sensitive topics.

However, the absence of a group dynamic can mean that the discussion does not build upon itself as organically, making it more challenging for a moderator to pull out as much detailed information as might emerge from a group setting.

Because respondents are partici-

pating in a more at-will fashion in an online one-on-one, and due to the fact that the sessions are embedded within a survey, moderators tend to keep the sessions fairly short - less than half an hour, as opposed to 60 to 90 minutes for a traditional one-on-one. This time frame maximizes response while minimizing boredom for the participant.

Although the shorter duration means that the interviews can glean less information than traditional methods, they are typically conducted with more than one moderator and many more respondents (anywhere from 40 to 200 participants might be interviewed in a one- or two-day period), resulting in broad feedback.

Applications

Online one-on-one interviews are commonly used when clients are seeking qualitative insight to shed further light on a quantitative study. Rather than serving as a standalone tool like focus groups or online bulletin boards, online one-on-ones often provide a qualitative complement to more traditional online quantitative research.

Additionally, completing a series of online one-on-ones - from screener to deliverable - can be faster and less expensive than other online qualitative methodologies, leading companies to choose this option when their research schedule and/or budget does not allow for more comprehensive focus groups or bulletin boards or when their research objectives require a snapshot more than an exhaustive review.

Online communities

In the context of marketing research, the term "online communities" refers to professionally-created, private social networking communities that connect businesses and their customers. A group of several hundred individuals are invited together in a password-protected, virtual community where they share their thoughts, opinions and ideas on a key topic - for example, a brand or product - over an extended period of time (in some cases years).

Online communities are fundamentally different from the other forms of online qualitative research discussed in this article. By their very nature, focus groups, one-on-one interviews and bulletin boards tend to be objective-based and structured as finite projects.

Online communities, on the other hand, function more as ongoing, long-term relationships between a company and its customers. Designed to provide continuing access to the voice of the consumer rather than answers to a specific, project-based question, these communities serve as a touchstone as much as a tool of measurement.

Although many organically-occurring online communities function entirely independently, the typical research-focused, "created" online community is managed and guided by a facilitator. Not to be confused with a moderator, who asks questions and directs discussion, the facilitator of an online community performs a more subtle and behind-the-scenes task.

As community members share ideas, anecdotes and advice, a facilitator ensures that the conversation does not wander too far off course.

Strengths and weaknesses of online communities

Because online communities need time to grow and develop, and because their power lies in giving companies an opportunity to see what the group reveals rather than simply how they answer specific questions, they are seldom a solution for short-term or urgent questions.

While virtually anything can be explored or tested using an online community, the methodology stands out in its ability to allow companies to develop a true relationship with its customers. Perhaps more than any of the other online qualitative methodologies, online communities provide unvarnished access into the mind of the customer. The information these individuals generate comes forth much more naturally than is possible from a typical question-and-answer session. While the emotion, desire and needs are slower to emerge, they may provide the truest read on how customers feel. That relationship and the respondent's personal stake in the process can often translate into higher participation rates. However, the base size can be limited.

For many researchers, the cost and effort of building and maintaining an online community is simply unrealistic or may be overkill for their more straightforward needs. Additionally, the time frame and free-form nature can seem at odds with the outcome-driven focus of many business decisions.

Applications

As noted earlier, online communities fall outside the norm of fast-turn, project-based, online qualitative and quantitative research. Rather, they provide ongoing insight into the minds of customers, making them a powerful tool for companies to use to unobtrusively observe and understand the customer experience.

They can serve as sounding boards for companies wanting to float a new idea, learn about the impact a competitor's innovation is having on customers or simply understand the reality of how their brand is perceived by a particular group.

Dynamic and evolving

As we have seen, the online qualitative research landscape is dynamic and evolving. Consumers are rapidly embracing a broad array of online communication tools such as instant messaging, message boards and social networking sites. The growing popularity - and in some sectors, ubiquity - of such methods offers researchers exciting new ways to access these individuals.

The solutions discussed here illustrate how the online qualitative space has expanded to meet varying research needs. While no one solution is right for all situations, these approaches promise unprecedented access to emotionally rich qualitative findings quickly and, in many cases, at a lower cost than traditional qualitative research methods. | Q

online research

A tale of two questionnaires

Quality matters when designing panel questionnaires

By Pete Cape, Jackie Lorch and Linda Piekarski

In a recent study, Survey Sampling International (SSI) looked at the topic of survey design and analyzed how faulty design can result in faulty data. Study results showed that bad survey data and survey design, rather than panelists, are often responsible for poor-quality sampling results.

The findings make it clear that research companies and panel companies must work together to present panelists with good surveys: surveys containing understandable, concise and complete questions that elicit the most valid data possible.

To help clarify what constitutes a good survey (that which produces reliable survey data) and a bad survey (that which doesn't produce reliable survey data), SSI fielded two different surveys in August 2007. Approximately 500 SSI United States panelists completed each survey. The first survey was designed as a worst-of-breed, using examples of poor types of questions SSI commonly encounters while checking surveys every year. SSI's respondent experience group, which is dedicated to ensuring a pleasant survey experience, redesigned the second survey.

The following questionnaire design issues were tested:

- incomplete scales;
- means of gathering top-of-mind awareness;
- means of collecting total awareness;
- not specifying the category;
- forcing a choice;
- lack of criteria on which to choose;
- not allowing "don't know"/"none of these";
- lack of definition on mathematical issues;
- two answers in one;
- self-selection on questions;
- poor wording in statements;
- poor use of English;
- use of the negative; and
- bias in questions.

Incomplete scales

When all possible options are not included in a question, the respondent can abandon the questionnaire or provide a random answer. A random answer distorts the data. As part of our survey-testing, a "year of purchase" question was included - the bad survey did not include all potential options and the good survey covered all eventualities. From the good questionnaire SSI observed 9 percent purchasing in 2004 and 43 percent purchasing before 2004. In the bad questionnaire, 72 percent chose the code "before 2004." Should

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the researcher interpret the error as being read by the respondent as "2004 or before," then a very real error in estimation will have occurred.

Means of gathering top-of-mind awareness

To gather top-of-mind awareness, researchers can choose to ask a single question followed by a second question for the rest of the spontaneous awareness or provide multiple boxes. In the second scenario, the first box is taken to represent top-of-mind. The two-question option takes slightly longer for respondents to execute. SSI found that data collected using each method is similar and there is little to be gained by asking separate questions and lengthening the survey.

Means of collecting total awareness

In SSI's analysis, the good survey asked respondents to re-code their spontaneous answers into the prompted list and the bad survey gave respondents no instructions as to what to do. Respondents to the good survey re-coded into the prompted questions those brands they had written in the spontaneous; the bad survey respondents did less well. According to these results, a great deal of data could have been lost had there been a need to route the respondent from the prompted awareness question in the bad survey.

Specifying the category

It can be tempting for researchers to assume that respondents know what the researcher is asking about if it has been mentioned once. Our research shows that it is vitally important to restate the category when the question type changes. SSI found a large overestimation of awareness for brands that are well-known outside the category under consideration in the study.

Forcing a choice

Researchers often want to know what the top three choices are within a given set. If they do not allow respondents to choose fewer than three, they are, in effect, forcing them to lie. Forcing choices can result in large overestimates of non-consideration as respondents attempt to answer the question as posed.

Lack of criteria to choose

In a "brand association with statements"-type of question, it is important to specify precisely on what basis the brand(s) should be selected. SSI found that leaving out an option for "none of these" could seriously compromise brand association data.

Allowing "don't know"/"none of these"

In a brand ownership question, SSI did not allow respondents in the bad survey to answer "don't know." In the good survey, 10 percent of respondents did not know the answer. In another question, an "other" category was not provided. Respondents in the bad survey were forced to choose between two options. Judging from the good survey data, almost half of respondents would have chosen the "neither" option, had it been available. We conclude that the proportionate split between the two options in the bad survey is most likely incorrect.

Lack of definition on mathematical issues

"How big," "how many" and "on average" are terms that need to be precisely defined. In the bad survey, SSI deliberately left vague a question about capacity and did not include a "don't know" option. In the good survey, 82 percent did not know the capacity of the object in question. In the bad survey, the average capacity was 15 times larger than on the good survey. In addition, asking people questions to which they do not know the answer is guaranteed to raise panelists' ire.

Two answers in one

SSI's surveys found that separating two items in one answer with a slash rather than "and," "or" or "and/or" can result in over- and underestimating the importance of the items in question.

Self-selection on questions

A "consideration" battery should precede a "satisfaction" battery. SSI's good survey included both, and only those who scored a four or five in consideration were asked to rate the factor in terms of satisfaction. The bad survey allowed respondents to choose whether or not to answer the satisfaction battery. All chose to answer the full satisfaction battery. Without the consideration battery, the only conclusion that can be drawn is that panelists had considered all the factors. In this instance, self-selection underreports the overall satisfaction measure that would have been achieved by correctly routing only those who had strongly considered the factor.

Poor wording in statements
For an agree/disagree-type scale to work well, it must be clear what it means to agree or disagree with the statement. Using "I tend to" instead of "I do" resulted in a different distribution of answers in SSI's test.

Poor use of English
English is the established language for most international research; however, the questionnaire can be fundamentally flawed if the researcher is not a native English speaker. This may lead to divergence in the translated versions. While the marketing conclusion in SSI's two data sets was the same, actual numbers were quite different.

Use of the negative (particularly the double negative)
Statements in the negative or double negative can be difficult to understand, especially if among a battery containing positive statements. SSI's surveys resulted in two completely different data sets.

Bias in questions
The bad survey included a bias question, which was a qualification to a statement that was a matter of opinion. Results, although predictable, serve as a useful reminder that it is easy to manipulate opinions for one's own purposes.

Panelists persevere
SSI found panelists recognize a well-designed survey. As part of its study, respondents were asked to rate the survey itself. More than a third of the panelists in the bad survey who said they did not enjoy the survey cited "quality of questions" as the reason; for panelists in the good survey who said they did not enjoy the survey the main reason cited was the survey topic.

Even when presented with poorly-worded questions and confusing instructions, panelists generally persevere and do their best. Contrary to SSI's expectations, the top score on "enjoyment" for the bad survey was 60 percent compared to 67 percent for the good survey. While the bad questionnaire took, on average, 18 percent longer to complete than the good questionnaire, the dropout rate from the bad survey was only 4 percent higher than that of the good survey. Poor questionnaire design, however, may well have an impact on future survey-taking and once a panelist stops being a regular survey contributor, they stop participating in surveys altogether.

Overall, the study supports the importance of questionnaire design. Shortcuts should not be taken in online questionnaire design and, in fact, even more care and attention needs to be lavished on such surveys to ensure a positive survey experience for panelists as well as optimum quality data. | Q

An industry-wide problem
Enter article ID 20070106 at www.quirks.com/articles to read Dennis Murphy's call to action on respondent cooperation/satisfaction.

online research

Qualitative with different qualities

By Steve Richardson

For a while now, the term Web 2.0 has been bouncing around in business circles. But what exactly is Web 2.0? A software program? The next generation of Web sites? Just another new marketing buzzword? And perhaps more importantly for us, why should the qualitative research world care?

While the term suggests that it is a new version of the Internet, Web 2.0 is more about facilitating information exchanges and collaboration among Internet users. It is Web technology and design that creates a conversation. In contrast to Web 1.0, which was a static and largely one-way communication vehicle, Web 2.0 has led to the evolution of Web-based communities like social networking sites and blogs, and creates the ability to interact by using visuals, audio and text.

Wikipedia, the online encyclopedia written collaboratively by contributors around the world, is a great example of the Web 2.0 concept. So are virtual communities like Second Life or Webkinz, where stuffed animals have both an online and offline existence via a unique identifier that is entered when logging on.

"At its core, Web 2.0 is interactivity," says Doug Bates, vice president and CDO of Saskatoon research firm Itracks Inc., who gave a presentation on Web 2.0 at the QRCA Annual Conference in 2007. "It creates conversations, dialogue, content sharing and many other interactions that were not possible with Web 1.0."

Are researchers ready for Web 2.0?

A good example of communication and interaction between marketer and customer is the Wells Fargo virtual community known as Stagecoach Island (www.stagecoachisland.com), which was created based on the knowledge that young people don't tend to go into bank branches anymore and prefer to do their banking online. To build a brand and create brand loyalty with younger customers, Wells Fargo decided to interact virtually rather than relying on face-to-face contact. On the site, customers can do everything from play games to attend financial seminars.

Impact is enormous

The impact of Web 2.0 on the qualitative research industry is enormous. Many researchers are already embracing the opportunities that interactivity presents to the research industry. Bates says that while he is seeing both online and offline techniques thrive, he has several clients who have abandoned face-to-face focus groups altogether in favor of online

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groups. "They're just not doing it. Online is emerging as the standard. Web 2.0 is really a major sea change that has enormous historical relevance in the world of qualitative research," he says.

While its practical applications are evolving gradually, most researchers agree that Web 2.0 marks an important shift in how qualitative researchers must think about conducting projects and reporting results. "Web 2.0 is interactive, and that's what qualitative researchers do with individuals is interact," says Jim Bryson, QRCA member and founder of 20/20 Research, Nashville, Tenn. "Whenever you have a medium that is interactive - online or not - it gives you that much more insight into a person's motivations and choices about products and services."

QRCA member Catherine Dine of Toronto-based Dine and Associates used video and the Internet to inform focus groups on trash bag use. Garbage is a sensitive subject in Canada, where municipalities mandate recycling and composting. Dine felt traditional in-home ethnographies were potentially too intrusive and unlikely to yield truly natural and potentially environmentally incorrect behavior. It proved much more effective to send participants video cameras and have them videotape their behaviors around trash bags and taking out the trash. Participants then delivered these videos to Dine via a simple Web upload prior to in-person focus groups.

This approach enabled Dine to learn - well before the focus groups - how participants carried out the trash process and what the issues were, particularly the sensitive ones. A richer discussion guide was then developed based on the learning from the video ethnographies. This allowed more time in the focus groups to find underlying motivators and those all-important key insights. "We unearthed deeper learnings as a result of the process," she says. "Those in-depth insights were huge for the client, and the self-ethnographies enabled that."

Dine adds that creating the videos also added a level of involvement that contributed to a higher level of openness and enthusiasm in the group on what is typically a highly-charged topic. "Participants loved the process and quickly moved beyond posturing to share their real frustrations," she says.

Fragmenting methodologies

Like so many other industries, Web 2.0 technology is stirring up the qualitative research industry by fragmenting its methodologies. On one hand, technology has increased the number of tools available to qualitative researchers. Message boards, video clips, blogs and online focus groups are all additional tools in the arsenal. The pie has gotten bigger.

At the same time, having so many additional options - and varying degrees of interest in them from clients - can complicate research decisions and methodology choices. Bryson says this is good for researchers, because "we have to be smarter and more thoughtful in our decisions and our recommendations. It encourages smart, strategic thinking, which boosts the professionalism of our industry."

He adds that when it comes to newer methodologies versus traditional ones like in-person focus groups, "no single method or technology is right for everything, but they are all good for something. We have to open our minds and think about how we best apply them for the best possible insights for our clients."

Key implications

Tools, techniques and access to participants are all being impacted by Web 2.0. Here are a few key implications from Doug Bates' presentation to QRCA.

Brand-related social networks. Nike has created its own social network called Nike+ (nikeplus.nike.com), which offers various consumer products that log the activity of runners on their iPod. Runners can then upload their results to a community on the Internet. This information gives Nike insight into how its products are being used and what customers think.

Emerging techniques. Bates cited an interesting example: online focus groups conducted using instant messaging. This technique allows the researcher to create an ongoing dialogue with participants, which overcomes a challenge with traditional one-off focus groups where it's nearly impossible to get participants back in a room again once the first session is finished.

"This technique allows you to involve participants multiple times throughout the creative process. It enables iterative feedback, which engages participants and gives them a real sense of ownership of the outcomes. It harnesses creativity, insight and engagement," Bates said. Another example is the video blog booth, where participants can leave an audio or visual message at the end of an online questionnaire.

Access to youth. Social networks like MySpace and Facebook provide invaluable, large-scale access to respondents for the insight industry - especially 16-25-year-olds. But be sure not to presume that Web 2.0 applies only to youth.

Opinions on-the-go. Real-time data collection is a big advantage of Web 2.0 technology. Participants can provide input - such as texting or pictures - right when they experience something relevant to the project. Online participant forums offer nearly real-time input, as participants become fieldworkers who offer immediate feedback and can also be given instructions or follow-up tasks that can be executed quickly.

Longer-term relationships. The days of a check and a thank-you to participants are waning. Web 2.0 facilitates longer-term relationships. This also implies that clients will have to take the step of letting research continually influence the design and marketing of a product.

Less regimented

Bryson says he now thinks of "venues" rather than "facilities" for research. Venues can be an online social network, someone's home or a brick-and-mortar focus group facility. "We are becoming less regimented in the methodology and more focused on how to adapt our methodology to the respondent and research question at hand," Bryson says. "There will always be a need for focus group facilities, but there are emerging methodologies that allow us to better accomplish our clients' objectives."

Bryson had an "aha" moment recently that showed the importance of being open to embracing new forms of research and communication. After he left a voicemail for his daughter requesting the total of her phone bill, she responded by sending the dollar amount via text message. "It was a small thing, but in her mind, sending me a text was the most efficient way to get information to me," Bryson says.

Bryson's experience points up the need to communicate with people in the manner they prefer or are accustomed to. Market researchers will always have the opportunity to do face-to-face interviews, discussions and ethnographies, he says. Even young, early adopters still like to talk face-to-face. But if you do not communicate with people in the ways they believe are appropriate, they will get frustrated with the process. That means fewer participants and less fruitful insights.

Jeff Walkowski, a QRCA member and principal of Minneapolis research firm Qualcore.com, adds that it's about more than just tools that allow us to do research. "Those tools allow us to potentially have stronger, deeper and better insights from participants, and they certainly improve relationships with clients," he says.

Varying levels

Ah yes, clients. Just like qualitative researchers, market research buyers have varying levels of knowledge about Web 2.0 applications as they relate to research. But if a client wants her researcher to consider video ethnographies, online focus groups or even be part of a WebEx presentation, the researcher simply must understand how to do so.

Walkowski, an admitted "middle of the roader" when it comes to technology, encourages research colleagues who are less savvy to understand two things. First, you don't have to understand everything at once. Take time to patiently explore one technology at a time until the comfort factor increases. Second, the risk associated with burying one's head in the technology sand is high. The likely outcome? Obsolescence.

"The concepts of lifelong learning really come into play," Walkowski says. "Clients and participants have an expectation that we can function in their world. The key is not to fear the unknown, but rather to embrace it – even if you do so slowly." | Q

Online qual best practices

Enter article IDs 20070505 and 20070702 at www.quirks.com/articles to read Berni Stevens' two-parter on best practices in online qualitative.

online research

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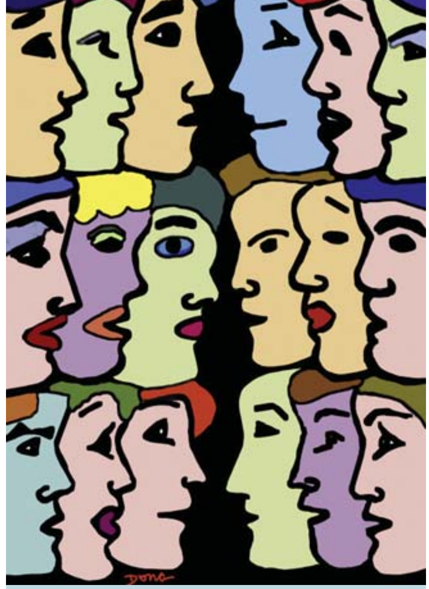

By Denise Brien, Melanie Courtright and Marjette Stark

Comparing river respondents to panelists

Given the distinctive nature of river samples as opposed to more well-known panel samples, it is not surprising that there is continuing uncertainty about this resource among researchers and sample buyers. To address questions regarding river's use as a valid sample source, and add to the body of knowledge on online data quality, DMS Research executed a comprehensive study evaluating river respondents and ongoing panelists. The resulting research sheds light on the differences and similarities between the groups and clarifies how these might influence the research design and conclusions resulting from the use of a particular online sample.

The original intention of this research was to better understand the similarities and differences between river sample and panelists. However, in order to put these online sampling methodologies into a broader quality context, CATI respondents were also surveyed. The research utilized the following sample sources:

- DMS river sample (using DMS's proprietary Opinion Place River Sample);
- panel sample (using DMS's proprietary SurveySpree panelists and two external panel samples; all three panel samples were analyzed in aggregate for this study);
- CATI interviews (RDD).

Interviews were completed during December 2007 and the analysis conducted during January 2008. The survey received 2,412 responses; at least 400 responses were collected in each sample cell and statistical significance was tested at 95 percent confidence. Quotas were set to control for gender, age, income and ethnicity, and were used to ensure that each cell reflected the overall U.S. population (according to U.S. Census estimates).

Precautions were taken at every step to ensure that the research was as unbiased, clear and objective as possible. In addition to surveying two different external panel samples, the sources of which were unknown to us, we also outsourced the data collection, tabulation and statistical analysis to further ensure objectivity of results.

The respondent profile

Demographic and other differences

Demographically, differences among sample populations were limited,

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An overview of the sampling methods used in this research

To ensure that the study results are uniformly understood, the three sampling methods used in this research are outlined briefly here.

- DMS River Sample is an online sampling method that is wholly and solely sourced from online promotions (e.g., banners, pop-ups, hyperlinks). This method of random recruitment drives potential respondents to an online portal where they are screened for studies in real time. Qualified respondents are then randomly assigned to a survey. Due to differences in the sampling and recruiting methods of other river samples, the research results presented herein refer only to DMS River Sample.

- Online panels are generally recruited from affiliate and partner sites, through which members are registered and encouraged to become long-term survey participants. Once respondents agree to participate, the panel company sends e-mails to invite respondents to a particular survey, and interested respondents who qualify then complete the survey.

- CATI (computer-assisted telephone interviewing) refers to the traditional, random-digit dial approach in which a telephone interviewer calls random telephone numbers, screens potential respondents in real time, and asks interested, available and qualified respondents to answer questions while the interviewer enters their responses into a computer program.

in large part due to quotas that controlled basic demographic categories (gender, age, income and ethnicity). Minor differences were observed in marital status (river sample represented a higher proportion of single respondents, while CATI respondents had a correspondingly higher proportion of married respondents) and occupation (both river sample and panelists showed a slightly higher tendency to list "student" as their occupation than CATI respondents).

Beyond demographic comparisons, slight variations among the sample sources appeared in several categories measured, including media consumption, political affiliation, voting history, passport ownership and frequent-flier program membership. However, while differences among these sources existed in these broad areas, there did not seem to be any larger trends suggesting a radically different respondent profile for those recruited online vs. those recruited over the phone, or those who belong to a panel vs. those who do not - at least, not along the dimensions examined above (larger differences in other dimensions are examined in the next section).

Despite the wide range of measures reviewed here and the relatively minor deviations among samples, it is not certain whether measuring additional areas would uncover larger trends. In any case, differences such as those seen in this research are most likely to impact research results only if a survey's topic were to coincide with the selection of a sample source with a corresponding bias (for example, a survey about frequent-flier reward programs might be impacted by the selection of panel respondents, or a political poll might be skewed if conducted only over the phone). In this case, research can be designed taking potential bias into account and controlled through screening and other measures to ensure the desired representation.

Attitudes
On a wide range of attitudinal statements measured, there was an overall pattern of more similarities than differences among the three sample sources surveyed. Respondents across the board had similar and predictable attitudes toward risk-taking, and there were some similarities in attitudes about finances and shopping. River sample and panelists differed from CATI respondents on technology issues as they relate to early adoption - this trend will be detailed more fully in the next section.

The presence of an interviewer in the CATI sample may have caused a variation in their responses on key attitudinal questions where a "socially


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Table 1

Online Stats	River	Panel	CATI
Have used the Internet >5 years	80%	80%	**70%**
Online >11 hours per week	60%	70%	**26%**

Online Activities	River	Panel	CATI
Check e-mail	99%	99%	**84%**
Make a purchase online	83%	90%	**60%**
Share pictures online	77%	78%	**58%**
Use online banking	76%	81%	**46%**
Instant-message	68%	62%	**29%**
Read a blog	57%	53%	**29%**
Stream/download video	55%	56%	**24%**
Listen to Internet radio	58%	53%	**24%**
Download music	57%	49%	**32%**
Maintain social networking site	45%	42%	**19%**
Contribute content online	40%	40%	**15%**
Maintain personal/family calendar	37%	39%	**23%**

(respondents who use the Internet)

Bold indicates statistically significant difference

Table 2

Technology Ownership	River	Panel	CATI
Laptop	53%	51%	**39%**
Wi-Fi/wireless Internet at home	33%	34%	28%
No Internet service provider at home	1%	2%	**22%**
HDTV	33%	27%	33%
DVR	33%	30%	25%
No cable/satellite service	11%	11%	13%
Portable MP3 player/iPod	47%	43%	41%
Rarely/never download music	43%	51%	**71%**
Smartphone (Treo, Blackberry)	10%	8%	9%
iPhone	6%	4%	2%
No cell phone	9%	9%	**21%**

Bold indicates statistically significant difference

acceptable response" was given – as CATI respondents were more likely than online (and thus self-interviewed) sample sources to say that they were happy with their standard of living, to agree that how they spend their time is more important than how much money they make, or to indicate that buying American is important.

Technology and online use

A definite trend emerged when we examined the use of technology and online behavior among sample sources (Table 1). Perhaps not surprisingly, online respondents were heavier Internet users across the board. Whether in tenure (years since first going online), frequency (hours online weekly) or activity (such as making purchases online or downloading music), online respondents diverged from their CATI counterparts. This finding held true even when comparing river sample and panelists to those CATI respondents who were online (i.e., CATI respondents who use the Internet). In other words, CATI respondents who use the Internet did not resemble the online sample sources in how they use the Internet. CATI respondents who use the Internet do a range of activities, but in many cases at only half the rate of the online sample sources. River sample and panelists were in almost exact alignment in their use of the Internet for a range of activities.

When comparing other technologies – even emerging technologies such as HDTV or iPhones – all three samples sources had more in common than not (Table 2). Rates of HDTV ownership were in line with the overall U.S. population; DVR ownership and home cable/satellite service were similar across samples.

The three respondent sources showed relatively similar ownership of cell phone devices such as

smartphones and iPhones. With overall cell phone penetration in the U.S. estimated at 82 percent, CATI respondents were more representative of the overall U.S. population on this measure, while river sample and panelists were alike in their greater likelihood to have a cell phone.

Table 3

Measure		River	Panel	CATI
Low-incidence questions	Own hybrid car (2.5%)	2.0%	1.5%	1.2%
	Left-handed (11%)	9%	11%	10%
Response to open-ended Q	% who did **NOT** supply thoughtful response	3.7%	3.3%	11.5%
Item inconsistency	% inconsistent on "price more important than brand" / "brand more important than price"	28%	29%	34%
Speeders	% completing ~15 minute survey in less than seven minutes	5%	21%	n/a
"Trick" question	Failure to "mark your place in survey by selecting 3 here"	23%	12%	n/a
Use of scale: five-point satisfaction scale	% rating all parts of question same value	30%	36%	20%
Use of scale: seven-point agreement scale	% rating all parts of question same value	2%	3%	0%

Respondent survey history

The area of greatest difference among river sample, panelists and CATI respondents emerged in their overall pattern of survey-taking. While the vast majority of respondents in all three groups had participated in some form of market research, panelists by far had the greatest overall lifetime participation, with CATI at the opposite end of the spectrum and river representing the middle ground: Among river respondents, 42 percent had never participated in an online survey prior to this survey, suggesting that river sampling does reach people who do not typically participate in online surveys.

The results were similar when limited to a more recent time frame: Among online respondents, the rate of river respondents' participation in online surveys over the last 12 months was almost half that of panelists (45 percent and 81 percent, respectively). Among online respondents, river sample had the lowest percentage of respondents participating in online surveys on a daily (9 percent) and weekly (39 percent) basis. By contrast, almost nine in 10 panelists indicated at least weekly participation in online surveys, with an average of nearly 17 online surveys per month. CATI respondents had the lowest participation in online surveys overall (daily 1 percent; weekly 20 percent).

Survey behavior

Survey and panel participation

Participation in panels was another area where panelists and CATI respondents occupied the extremes of the spectrum and river sample occupied the middle ground. Roughly 80 percent of the panel respondents indicated that they currently or at one time belonged to an online research panel, compared to only 10 percent of CATI respondents and around 30 percent of river respondents. (Panelists who participated on a more frequent basis were more likely to call themselves panelists than those who took fewer surveys per month.) Thus, while some river respondents are also panelists (suggesting participation in surveys on a regular basis), the vast majority (70 percent) do not participate in surveys on a regular, invited basis.

Response quality

This research included a range of data quality measures to evaluate how respondents behave once they agree to take a survey and assess the ultimate quality of their responses. In some cases all three groups performed equally well, while on others, all three exhibited issues (Table 3).

- Low-incidence questions revealed an equally high response quality

Table 4

Non-Technology Measure	Benchmark	River	Panel	CATI
Read daily newspaper	52%	54%	51%	49%
Read Sunday newspaper	60%	63%	59%	55%
Voted in 2004 presidential election	64%	66%	74%	78%
Hold valid passport	30%*	43%	45%	39%
Took overseas trip in last year	10%	16%	16%	13%
Frequent-flier member	28%	29%	41%	23%
Coupon user	76%	71%	72%	53%
Smoke cigarettes	22%	34%	28%	20%
Left-handed	11%	9%	11%	10%
Average absolute error %		5%	6%	7%

(green indicates difference from benchmark)

*Note: Rate of passport ownership is rapidly changing; benchmark figure based on information available December 2007

Table 5

Technology Measures	Benchmark	River	Panel	CATI
Own laptop	35%	53%	51%	39%
Own portable MP3 player	34%	47%	43%	41%
Own iPhone	1.5%	6%	4%	2%
Own DVR	18%	33%	30%	25%
Own handheld videogame	28%	31%	23%	23%
Own HDTV	28%	33%	27%	33%
Own hybrid car	2%	2%	2%	1%
Average absolute error %		8%	7%	4%

(green indicates difference from benchmark)

across all three sample sources in terms of proximity to benchmarks.

- The response to open-ended questions yielded a somewhat surprising result, as CATI had the highest percent of non-substantive responses (such as "nothing" or "I don't know," etc.) to the question "What made you decide to take this survey today?"

- To measure item inconsistency, respondents were asked two questions regarding their attitudes toward brand and price. Respondents who agreed with both statements and respondents who disagreed with both statements were considered "inconsistent" responders. There were a fairly large number of inconsistent responders in the total base sample, and no differences in this measure across the three groups.

- Speeders are known to cause consistency and quality issues. River sample had the fewest number of speeders in this research. However, it is also possible that experienced respondents may just be more familiar with surveying techniques, scales and instructions, and therefore able to more quickly complete surveys.

- Trick questions look to control for inattentive respondents and foster data quality. River sample did not perform on this measure as well as panelists, raising two questions: 1) Are more-experienced respondents on the lookout for control mechanisms that might block them from future participation in surveys? and 2) Are trick questions confusing to less-experienced respondents who have less exposure to survey instructions, question wording and scaled responses?

- Use of scale: Respondents used the scale more uniformly on a five-point satisfaction question with only three satisfaction rating attributes. On a seven-point agreement scale with multiple attitudinal statements, only 2 percent of river sample and 3 percent of panelists provided the same response to each statement, a very low percentage of straightlining.

Regarding these measures, this research made no attempt to ameliorate known survey design issues which may have caused quality issues. In reviewing these results, it is important therefore to remember that attention to quality in the upfront design and selection of respondents can greatly improve the chances of the final product yielding the highest quality

Comparison to benchmarks

Respondents were compared to third-party data on a range of non-demographic benchmarks to further examine how these sample sources differ - and how closely each approximates the U.S. population. Benchmarks were culled from census and other government sources, trade group data or large-scale nationwide surveys when independent sources were not available.

On non-technology benchmarks (Table 4), the three sample sources exhibited more similarities than differences - to each other and to the benchmarks. Overall, river sample had the least average variance.

On technology-related benchmarks (Table 5), there was some divergence between the general population and survey respondents, with online respondents in particular showing a tendency toward early adoption and high rates of device ownership.

On these measures, while the three sources again shared similarities, CATI in this case was closest to the overall benchmark average in having generally lower rates of technology ownership.

The calculation for the average absolute error is based on the averaged sum of the variance between the sample source and the benchmark.

Data quality considerations

In summary, there are areas of differences and similarities for each sample source, as well as corresponding data quality considerations.

The sample sources varied from each other in several key areas (online activities, technology adoption, and lifestyle attitudes; and offline activities like travel and smoking), while in other areas similarities among the three exist (such as entertainment/media device use and attitudes toward shopping and risk).

Data quality differences were mixed. Sample groups performed well and did not exhibit differences on measures like low-incidence benchmarks or straightlining, though issues appeared across the board on response inconsistency and data traps. River sample exhibited the lowest tendency to speed through the survey.

The largest and most important difference among the three sample sources appeared in their overall pattern of survey-taking participation. Panelists take more surveys and participate more frequently than other respondent groups, while CATI respondents take far fewer online surveys and participate much more rarely. River sample occupied a middle ground in terms of survey frequency - participating on occasion but not with significant frequency. Participants from all three sources are engaged in all types of research, with surprisingly few people having not participated in any other research over the past 12 months.

When designing a sampling frame, researchers should know the implications of each methodology and carefully consider how to mitigate risk. Thus, based on this research, we believe that panel is a good choice for low-incidence projects; CATI is best for research that might be skewed by online/technology adoption and behaviors; and river is the best option for reaching a random, less-surveyed online audience. | Q

online research

Many voices in one place

By Dean Wiltse

Using communities for online research

Research - specifically the process of collecting and analyzing feedback - has undergone a rapid and dramatic transformation over the past several years, driven by multiple factors such as changing regulations, emerging technologies and the evolving behavior of consumers. Response rates have fallen precipitously and many traditional survey techniques have been adversely affected by a convergence of circumstances. But the emerging phenomenon of online communities may be the catalyst that creates an exciting new period of research.

While traditional survey methods fell from favor, the Internet has emerged as a convenient, cost-effective and ubiquitous platform for online research. In 2001, 10 percent of surveys were managed through the Internet. That number now exceeds 60 percent and continues to rise. There are numerous survey tools on the market, and register receipts from stores ranging from big-box retailers to coffee shops now contain Web site URLs inviting customers to take online surveys.

But broad adoption of online research has not solved many of the basic problems that researchers have faced for years. Response rates still are often very low and hard-to-reach demographics are equally reluctant to participate online. The wide adoption of online research has introduced new problems - such as poorly-designed, confusing surveys and over-surveying - which have further depressed response rates.

While many associate the term "online communities" with social networking sites, organizations are increasingly building online communities of interest consisting of key stakeholders such as customers, constituents, employees and partners. Such communities represent an opportunity for conducting meaningful, consistent and timely online research by engaging community members in deliberate, regular feedback. Best of all, these online communities represent a perpetual, standing focus group of the people your organization needs to hear from the most.

The best way to leverage these communities is to build respondent panels that align with the charter of the community and the research the organization wishes to perform. Based on these factors, organizations can opt to build broad panels and use profiles to do more targeted research, or build multiple panels that represent specific areas of interest. Panel members are asked to double opt-in to ensure they have a clear understanding that they will be asked to participate in feedback activities. The result is a statistically reliable sample of the much larger stakeholder

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population. Specific demographic and interest sets can be recruited as necessary, and careful management of survey frequency should eliminate survey fatigue and eliminate dropouts.

Developing respondent panels from communities of interest also helps these communities grow and flourish by building advocacy. One important element needed for a feedback-oriented online community - as opposed to social network online communities - to thrive is the shared sense of presence and influence. This is achieved when the community understands the collective impact they have on shaping the direction of the company. When community members see real evidence that the community has influence, it deepens their commitment to the feedback process and encourages involvement, while building advocacy for the company.

Rapid insight

The advantages of building feedback-oriented online communities are many:

Agility. Once an online community is established, companies can engage these standing respondent panels in real time to obtain rapid insight on critical issues. Results can be seen in 24 to 48 hours instead of days or weeks. This speed is crucial to creating the competitive advantage, when faced with short project lead times, to react to rapidly evolving market conditions and to shorten product development cycles.

Consistency and continuity. The advantage of building a feedback-oriented online community is that the organization can gather regular and consistent feedback. This keeps the organization current with the thoughts and concerns of the community and lets it spot trends and changes in attitude that drive different purchasing behavior. By analyzing data from panels over time, you can more easily see these important shifts in sentiment before behavior change has happened - in time to be able to capitalize on that opportunity. While point-in-time surveys are valuable, regular feedback across a particular life cycle provide a whole new depth of insights.

Cost-effectiveness. Harnessing feedback-oriented online communities is cost-effective because once the initial start-up process is complete the cost associated with each incremental survey is low, compared to fielding periodic primary research, which must repeat sampling, recruiting and incenting to yield valid feedback.

Quantitative and qualitative. Online communities of this type also let companies execute both qualitative and quantitative research. Unlike traditional one-touch surveys that collect normalized quantitative data alongside open-ended verbatim responses, online communities can go far beyond. Organizations can exploit the collaborative functions commonly found in communities such as forums, blogs and wikis to listen to the natural dialogue of customers interacting with other customers.

So are there disadvantages? There is debate in the research industry that online panels may introduce bias through the recruitment process and therefore are not representative of the broader population. There also is a

concern that the profile process eliminates true anonymity and therefore raises potential doubt over the honesty of the responses. These are certainly valid concerns, but even in the face of such concerns the benefits of online communities make them a worthwhile form of research.

Setting expectations

Successfully engaging an online community, promoting participation and reducing attrition starts with the proper setting of expectations with the panelists, which is critical to creating an open, long-term dialogue. The first step occurs during recruitment, where the benefits of participating in the online community and "required" investment of time associated with participation must be clearly stated to the prospect. In return, the candidate should understand that policies have been created to protect the time they do spend providing feedback. Once expectations are set, the prospect can become part of the feedback-oriented online community by actively electing to participate. To ensure the candidate fully understands what they are agreeing to, a double opt-in process is recommended.

Once a respondent opts in, the next step is to build deep profiles of demographics, needs, attitudes, behaviors and - if available - past purchase or employment history. The profiling process is an essential element that benefits both the organization and the panelist. For the organization, the profile process allows the conducting of targeted research and provides critical contextual data. For the panelist, the profiles represent a long-term benefit of saving them time: they will not be asked to participate in surveys for which they are not a demographic fit and would therefore be eventually disqualified and are saved from having to re-enter demographic data every time they take a survey. This show of respect for each individual's time is key to reducing attrition and encouraging participation.

After the respondent is engaged and profiled, steps should be taken to provide visibility into the feedback process. Studies have shown that 50 percent of respondents feel properly incented to participate in surveys in exchange for being able to view the results. A user interface that shows a summary of each member's completed surveys, along with the aggregate results of all members that completed each, provides a view into the process - and a form of incentive for participation, just like online polls. If incentives are used to drive participation, a respondent also should be able to view their earned incentives and consume them as appropriate from the same portal.

At this point the research process can begin in earnest. To engage the community successfully, it is imperative that care be taken to write surveys that are concise, well-constructed and use advanced functionality to enhance the respondent experience. It also is important to remember that a benefit of community panels is that the survey process is ongoing - there is no need to extract everything the panelists know in one survey. Each survey should focus on a specific theme with a specific set of information to

be gathered. A series of short, well-designed surveys will prove to be far more successful than fewer, longer surveys. And as with all research, best practices should be applied to ensure that questions are well-constructed and potential answers are free of confusion, bias and ambiguity.

Many truths

Performing research using feedback-oriented online communities will provide many truths in the form of real information and insights. Benefits are realized when these discovered truths are not simply recognized but are put into action and made available to the people and systems that can impact important business indicators such as customer satisfaction and loyalty.

On the people side of the equation, the information gained through the research process must become a reusable asset that is shared across the organization. This means that executives should have easy access to results, with the information put into insight-revealing report formats. Knowledge workers should be made aware of the surveys being done and the available results so they can apply the information to their specific work. Companies that take a deliberate and structured approach to survey initiatives can compare and merge information across the enterprise as a result of the consistency of the applied research methodology.

Taking action

Keeping communities engaged and turnover low requires a continuous process of presenting new ways of demonstrating to the community that their voice is not only heard but that the organization is also taking action based on their feedback. This truly reinforces the sense of influence and ensures that the community members know their time providing feedback is time well spent. Organizations need to take this into consideration when making business decisions and not miss the chance to tell the community that their feedback helped drive and shape such decisions. Nurture the dialogue between the organization and the communities and make information gained from the research process available to the communities. A community with a shared sense of influence will remain engaged in the feedback process and the feeling that the community voice is heard will incent new people to participate.

Important component

As online research gains prominence, online communities are emerging as an important component, representing a source of feedback from customers, employees, partners and other stakeholders. Such feedback-oriented online communities can provide organizations deliberate, consistent and regular feedback that can have a dramatic effect on business decisions. Best of all, these online communities represent a perpetual, standing focus group of your stakeholders - making the feedback your business demands immediate and extremely cost-effective compared to the traditional method of sourcing primary research. | Q

financial services research

As retirement looms, questions mount

By Sheila Reilly

The leading edge of the Baby Boom generation, 78 million strong, turned 60 in 2006. From cradle to classroom to boardroom, Boomers have never shied away from redefining how life happens, setting their own agenda, goals and priorities.

Now, on the cusp of a transition away from a life defined primarily by working/achieving/acquiring/consuming, will Boomers also redefine what comes next? What are the Boomer generation's priorities for managing the assets accumulated over a lifetime? What are their plans as they shift from income producers/asset accumulation to pensioners, where they will be their own asset managers? What will be the implication of the largest transference of wealth in history ... of longer life, healthier lives ... of women outliving men ... of providing for generations above and below them?

What is the financial outlook for Boomers in their 60s? Providers of banking and investment services need to know what Boomers aspire to in their senior years, how they view managing and using their money and what their starting point is.

Baby Boomers will redefine what it means to live through the transitional decade of their 60s. Collectively, Boomers take pride in their uniqueness. Though prior generations retired and settled down in their 60s, Baby Boomers will break new ground. Boomers on the cusp of 60 don't see themselves as old; they believe there is a future ahead of them. They expect to live longer, healthier lives; they are eager to get out and live life to the fullest. Boomers are still "in the game." They are not ready to hit the rocker and retire from life. Many are planning "second acts," changing careers, starting anew. Many will start businesses in "retirement" - many see work as fulfilling.

A look into the mindset of Boomer retirees

Energy, enthusiasm

At the beginning of this transitional decade, many Boomers exhibit energy, enthusiasm and satisfaction with their lives. While many have followed a predictable track of pursuing the American dream (family, career, recognition), more than a few stopped to smell the roses along the way. Boomers were the first generation to extend adolescence. They often started families later and in fact some are still raising families, paying for braces, tuitions, mortgages and all. Their financial timeline is pushed back. For these Boomers, time is catching up with them. They are joined by those financially

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supporting adult children and sometimes aging parents.

For Boomers late to financial/retirement planning, it's more of a financial burden because they must meet all the day-to-day financials plus ensure retirement is taken care of. Some simply lacked planning/foresight.

As a result, it's not unusual for a Boomer, at 60, to be a little behind their parents' generation in readiness for the next stage of life and this has implications for what their 60s will be like. Rounding the corner to 60, most Boomers are still fully vested members of the wage-earning class.

Like every other generation, Boomers are not a homogeneous group. They are blue-collar and white-, healthy and not, savers and spenders, wealthy and not. What they have in common is the times they live in. Used to being in control, Boomers are not yet entirely free to control their own destinies; they are somewhat a hostage of their circumstances.

800-pound gorilla

Here's the environment in which Boomers are entering their 60s, as it will affect their financial attitudes and behaviors.

At 60, the 800-pound gorilla in the room is this thing called retirement. No matter how much vigor and enthusiasm for work Boomers exhibit, their most rigorous work years are behind them. The next several years are, for most, the final years before retirement. All Boomers are beginning to do the math to see what they've got to work with. Some of the funding sources they could always count on are turning out to look like quicksand. A perfect storm is brewing and the unique problem for Boomers is they may not have time to change direction, to navigate a new reality in a way that future generations will. There are three factors, in particular, that combine to form this perilous scenario for today's leading-edge Boomers.

Social Security: Today's 60-year-old approaches retirement at a time when the social contract that Boomers signed onto when they began working 40 years ago has significantly changed. Social Security, once a cornerstone of retirement income, is neither sufficient to fund a dignified retirement, nor rock-solid.

Retirement spending needs have outpaced Social Security disbursements. The rising cost of living – in particular, of health care and energy – redefines what is needed to fund day-to-day living in retirement. With Social Security looking more like an appetizer than a main course, the issue of its solvency only multiplies the problem.

Another issue is Boomers' well-deserved reputation as consumers. Keeping up with the Joneses was perfected by Boomers, who are uniquely preoccupied with acquiring. Not one car, but two. Not one vacation, but two. Perhaps not even just one home, but two. The cost of raising a child was/is also astronomical, and capped by the most expensive college tuition in history, rising at a rate much higher than the cost of living. Despite best intentions, some Boomers can't get serious about saving for retirement until the last of the kids is kicked out of the house and the last payment is made on the mortgage.

Pension vulnerabilities: Another social contract, albeit privately funded (unless one works for the government) is the pension. Leading-edge Boomers may be the last generation to stick with any one employer for a significant period of time, and many have deliberately done so to fulfill the necessary requirements to draw a pension in retirement. But is the pension system secure? Many large, blue-chip companies are inadequately funding their pension funds to satisfy Wall Street's unceasing demands for cost-cutting and higher profits. Many are, if not outright defaulting, seeking to change the rules late in the game, and the Boomer-aged employee is caught in the crossfire, often too late in their career to adjust to a harsh new reality.

Medicare: A third social contract in doubt is Medicare. Any retiree will suffer this classic Catch-22: just as the income ceases, needs for health care will escalate. But for Boomers, it's more than that. Health care costs have been outpacing the cost of living for years, and there's no end in sight. As long as they are working,

Boomers' health care needs are probably funded well enough. But paying for health care in retirement is altogether different. Just as pensions may falter, retirement health care benefits are no sure thing. Most will rely on Medicare (can the government continue to fund it?) and to the extent they can, supplement Medicare with their own resources. Boomers are used to ready access to high-quality health care, and to a fair degree of choice. Will this expectation be met with the resources they have available to them in retirement? Boomers should be worried.

Both Social Security and Medicare are large social programs that were predicated on the assumption that succeeding generations' size and contributions would keep the systems solvent. But we know how that's worked out.

Add to these concerns other forces beyond Boomers' control, some of which are the result of living in a financial reality that has been, if not created by 9/11, certainly shaped by it:

- forced early retirement (they get a buyout);
- the vagaries of the residential housing market (most Boomers count on the equity in their homes to fund their retirement; recent reports suggest, if not a bursting of the bubble, then at least a deflation);
- rising cost of living;
- high budget deficits and national debt; and
- stock market fluctuations.

Put it all together and you have a recipe for precarious life as a retiree in the 21st century.

In addition to these current factors, the eventuality of diminishment of physical capacity is beginning to come into focus, even for young-at-heart Boomers. Mentally, they're still young, but their bodies tell a different story. Boomers are now coming to grips (with difficulty!) with this. They may not be as old as their parents were at this age but by the age of 60, many Boomers can see it coming.

Isn't all bad

The news isn't all bad. Many reports suggest the largest transference of wealth in history has begun. In 1999, it was projected that $32 trillion of personally-held wealth would be transferred in the next 50 years. If that number is even half-correct, it's clear many Boomers have resources to fall back on. But how many of them will know how to handle it?

Some Boomers are quite ready for retirement. But so many more have yet to get serious about how to fund themselves for a comfortable and fulfilling retirement. Now is the time of reckoning.

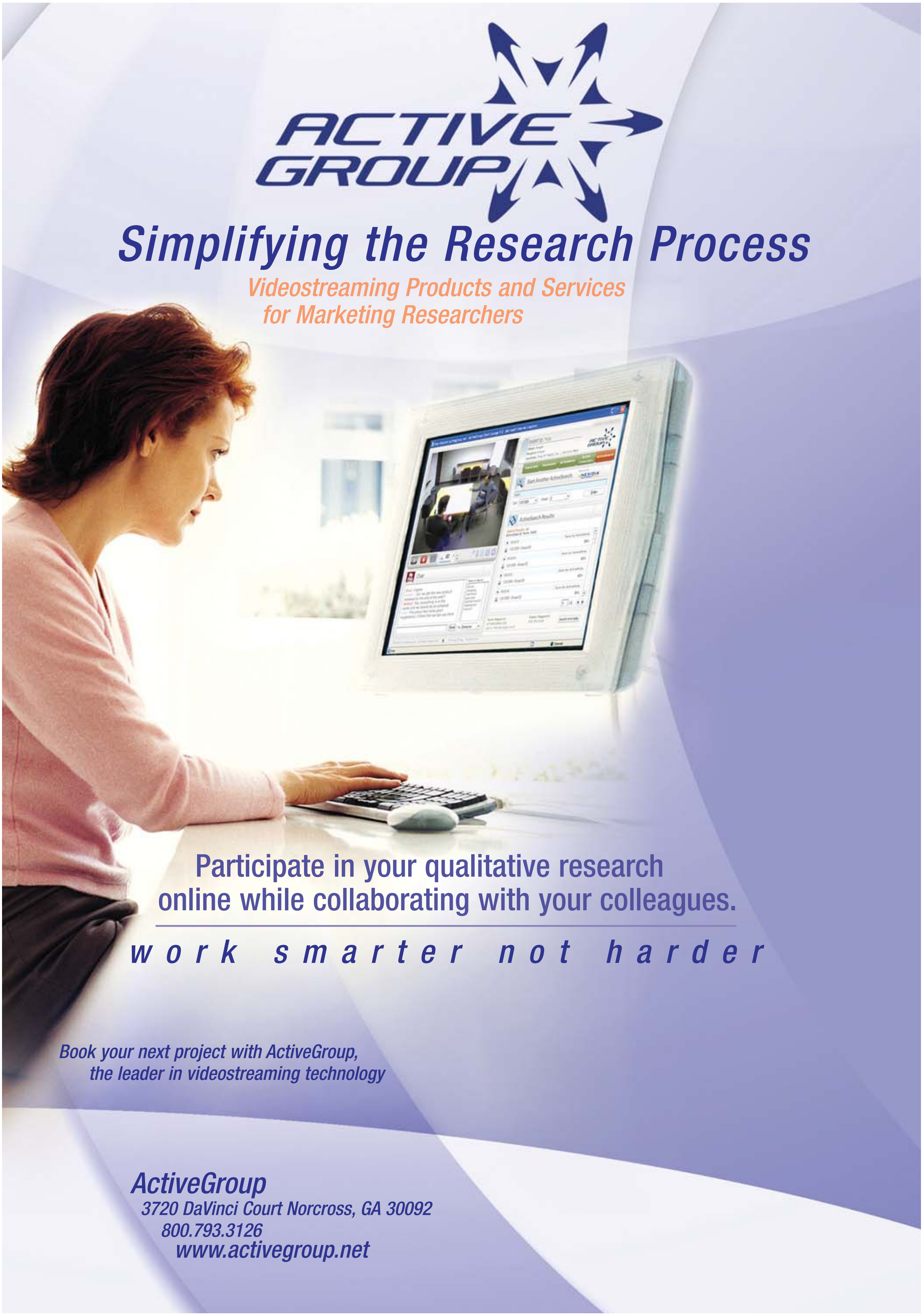
From a financial perspective, what will Boomers need to be successful? They need to figure out what author Lee Eisenberg calls The Number: how much they will require to live in retirement according to their plans, or at least comfortably. Most don't know, and don't know how to pin down an exact figure, and this creates anxiety.

The Number (and therefore the challenge) will be greater for Boomers than for previous generations, because of their grand

Both Social Security and Medicare are large social programs that were predicated on the assumption that succeeding generations' size and contributions would keep the systems solvent. But we know how that's worked out.

plans for retirement. They want to maintain the style of living to which they've become accustomed. Boomers want to keep their homes. Will they be able to? Will they be able to buy a second home, travel, indulge their interests? Boomers are part of the first generation to live on credit; this may not be a sustainable practice on a fixed income.

Their last working years (five to 10 years) will be spent building the nest egg. Depending on their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circumstances, they may need an actively managed plan toward maximizing their assets.

Too late to achieve The Number? They'll need guidance on how to manage with less.

Either way, they'll need a game plan to shift from accumulation to management/preservation of assets. This is a significant paradigm shift that few, if any, have given thought to. Today, planning for life after a paycheck is all about getting to The Number, not how to manage once you've settled on it.

Most will need to adjust to life on a fixed income. Many will need to plan for survivorship of partners. Among leading-edge Boomers, men still take a dominant position in managing a couple's assets. Women, in particular, need to educate themselves, as most will outlive their husbands and there will come a time when they have to manage on their own.

All will need strategies and tactics to protect their assets for ailing family members and survivors (e.g., states will seize assets to pay for nursing-home care; wealthier Boomers will want to protect assets for heirs).

Because of these circumstances, and their increased longevity, while previous generations had less of a need for financial service providers at 60, Boomers could well have an intensified need for them.

Piece of the pie

It's not like this major transition from Boomers has gone unnoticed. Anyone who wants a piece of the pie is already out there jockeying for it. The question is, what messages are relevant and differentiating?

Anyone who wants a piece of the pie is already out there jockeying for it. The question is, what messages are relevant and differentiating?

The message should begin with empathy, a convincing articulation of both Boomers' obvious financial needs and acknowledgement of the underlying aspirations and fears. Some other mandatory considerations:

- Boomers have always been dominant and they want to continue to feel in control of their destinies.
- Boomers want to be young, act young.
- Boomers are family-oriented. These indulgent parents want to be super-indulgent grandparents; they want to be an important part of their grandchildren's lives. They want to assure their future.
- Boomers are nesters; their home is very important to them, they will need strategies/tactics to keep them in their homes.

As investors, Boomers look for a track record, proof of performance. But the closer they are to retirement, the stronger the desire to manage and minimize risk. There's no time to recover from another downturn. However, there are those who are playing catch up for retirement, who feel they need to assume more risk for greater return.

Nearsighted

Boomers seem, so far, nearsighted about retirement. Many are irrationally sanguine about their ability to manage adequately, not just in their 60s but beyond. They seem not to have a full appreciation yet for the idea that while life as a sexagenarian may not feel significantly different, they're on the brink of being 70 and then 80. And one day they may be less able to care for themselves, and less able to "do" something if they've miscalculated, if what they have is not enough to manage on. The message may need to emphasize that retirement can last for a long, long time.

The message that will resonate best is: "Life is a journey." There's no right process or timeline to life. Life after 60 is what you will make it. Make it a time to celebrate life; at 60 you have earned the right to reward yourself with the time and resources and the wisdom of your years to enjoy your family, yourself, your life. Retire, un-retire, be bold, try something new. Forget about keeping up with the Joneses – try keeping up with yourself. | Q

Brand-loyal Boomers?

Enter article ID 20060205 at www.quirks.com/articles to read about Boomers and their (lack of) brand loyalty.

financial services research

Monitor and measure

Using market research for business and public policy decisions in consumer lending

By Paul Lubin

By regularly monitoring the experiences encountered by consumers applying for a loan, lenders, consumer groups and government can detect and resolve issues that inhibit the optimal allocation of credit. This in turn will help ensure the proper use of credit. For the lender, monitoring the customer experience can help prevent complaints and allegations that can negatively impact a lender's reputation and sales.

Civil-rights groups, community activists, government regulators and enforcement agencies regularly use mystery shopping and post-application surveys to help detect violations of the law and acts against public policy. An example of this is the HUD Matched Pair Testing program, which assesses the treatment of minorities and non-minorities in the pre-application stage of the loan process. In addition, HUD provides funds to community groups to test for discrimination in lending. And there are the activist organizations, news organizations and class-action attorneys that use mystery shopping and other methods to test the sales practices of financial institutions.

Another example is the Financial Services Authority (FSA) in the United Kingdom, which regularly uses mystery shopping. The FSA is an independent body given the authority by the government to regulate the financial services industry. FSA has three strategic goals: promoting efficient, orderly and fair markets; helping retail consumers achieve a fair deal; and improving business capability and effectiveness. The FSA views mystery shopping as a necessary tool to help determine whether its goals are being met.

Critical window

First used in the retail sector to observe and improve retail conditions, mystery shopping now provides a critical window into the experience encountered by consumers applying for credit. It is a voluntary undertaking that can help minimize business and legal risk and ensure fair and safe credit practices. The procedure helps ensure consumer access to appropriate credit information, compliance with the law, adherence to business protocols and standards and thereby sound credit decisions by the consumer and lender.

The approach calls for the use of testers or mystery shoppers posing

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as potential or actual buyers. Unlike statistical procedures which require outcomes (loan approval, loan denial, pricing) and rely on abstract arguments and statistical principals, mystery shopping measures the experience encountered by the mystery shopper or tester. Mystery shopping can detect unfair or misleading sales practices or whether the experience differs based on race or ethnic origin of the mystery shopper.

Disparate treatment

Mystery shopping takes the form of matched-pair testing and monadic testing. With matched-pair testing, the objective is to determine the presence of disparate treatment or discrimination in the pre-application stage of the loan process. Matched-pair testing involves pairs of testers, e.g., minority and non-minority or male and female, posing as potential borrowers. Sometimes matched tests can comprise triads. Triad tests involve three testers: a control, the non-minority tester matched against two minorities (e.g., African-American and Hispanic).

The testers conduct their tests (shops) separately but each is provided with profiles or scenarios. The profiles of the testers are very similar or matched. In some cases the minority takes on a slightly better profile than the non-minority. The profiles include the purpose of the loan (most often first-time home buyer, though refinance and home equity/home improvement are also popular), loan amount, value and location of home, down payment and financial characteristics of the borrower. The only significant difference between the testers is that one tester is a minority and one is not, or one tester may be a male while the other is a female or one tester may be young while the other is old.

The focus of monadic testing is to detect patterns indicative of misleading sales practices and violations of the law including Section 5 of the FTC Act, which prohibits unfair or deceptive practices, as well as actions and patterns indicative of predatory lending. Monadic testing has become more prevalent with the increased number of product offerings, risk-based pricing and flexibility in underwriting in consumer lending.

Unlike matched-pair testing, monadic testing calls for the use of one tester and a specific test condition. Here the tester records his or her experience and the information and products discussed and the questions asked to determine whether the lender provided the necessary information for the consumer to make an appropriate credit decision.

Self-testing, whether performed on a matched basis for fair lending or a monadic basis for fair treatment, can be conducted either in-person or over the telephone. Most self-testing programs are conducted in-person. However telephone-based testing is frequently conducted when consumers apply over the telephone. Often concerns are expressed about testing for disparate treatment over the telephone. This author's experiences, as well as research studies, have shown that in many cases race can be accurately determined over the telephone.

Quality of the assistance

Post-application testing is a customer feedback program which investigates the quality of the assistance and treatment provided to consumers (including minority and non-minority, male/female and younger/older loan applicants) after an application has been submitted. The procedure gained increasing acceptance as a valid method to test for discrimination and unfair treatment in consumer lending after a Federal Reserve study showed that race played a role in the mortgage decision and that differential treatment can occur at different stages of the mortgage process.

Conducting post-application surveys can help ensure fair and similar treatment of protected and non-protected classes in the various stages of the loan process. It can examine the coaching, advice, negotiation and competitive shopping and the degree to which it affects loan outcomes in the form of approval/denial, product and pricing. The approach can also help ensure fair treatment by monitoring the quality of assistance and the extent to which loan applicants are informed about and understand the loan products and terms of the loan.

The post-application survey is typically done by interviewing a sample of consumers (minority and non-minority) by telephone that has completed the application process. Applicants are interviewed to evaluate whether the quality of assistance provided by the lender affected the outcome (i.e., approval or denial). A sample of recent loan applicants who have received approval or denial should be interviewed. If you interview applicants prior to their formal notification, you will be unable to discern any correlation between how they were treated and whether their application was approved or denied. Moreover, they might misunderstand the purpose of your call and assume you are gathering more information with which to consider their application.

The post-application survey should be conducted by telephone. Other alternatives such as mail surveys jeopardize the reliability and timeliness of the information. Mail surveys are more subject to cooperation issues and the willingness of respondents to fill out and mail back the questionnaire. Some recipients may have no interest in returning the survey (for example, those whose applications were not approved) or they may not take the time.

Categorizing the sample by minority and non-minority group, product group or income group, as well as by approved and denied applicants, requires a large sample size. To make sure you have enough respondents, you may have to oversample - that is, interview more members of a group than the share they represent of your business.

Done right

To make sure the mystery shopping program is done right, the following guidelines should be adhered to:

- determine if assessment should be

quantitative or qualitative;
- use comprehensive mystery shopper training;
- test realistic scenarios depicting real-life and high-risk situations;
- give thorough profiles to the mystery shoppers;
- design a questionnaire that gets you the information you need but is still easy to complete;
- carefully edit the questionnaires for completeness and accuracy;
- do not tell the mystery shoppers the objective of the study is to ensure compliance with the law and fair treatment of consumers (they should be told it is to measure service quality);
- limit mystery shopper detection by setting a schedule when the shoppers will conduct the tests;
- debrief the mystery shoppers;
- enter the data into an electronic database and generate crosstabulations of the data;
- analyze the data based on the objectives of the program and determine findings and implications;
- develop an action plan to ensure problem resolution and improvement.

Use these guidelines to maximize post-application telephone surveys:
- determine respondent definition and sample frame (e.g., interview consumers when experience is fresh in their minds);
- design a questionnaire that gets you the information you need but is still

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easy to complete;
- conduct follow-up interviews to explore problematic issues (either over the telephone or in-person);
- analyze the data based on the objectives of the program and determine findings and implications;
- develop an action plan to ensure problem resolution and improvement.

What can you measure with mystery shopping and market research?

- sales and service practices;
- treatment of minorities and non-minorities;
- the degree to which consumers feel welcome;
- needs discovery, ability to repay and suitability of products offered;
- advice and coaching provided;
- access to service and information;
- courtesy and comfort; and
- office and employee performance.

Powerful tools

The above mystery shopping and market research methods are powerful business and public policy tools. All businesses and government agencies involved in consumer credit owe it to consumers – and to themselves – to use these and other techniques to uncover prejudice and unfair sales practices. The costs to use them are not great. The techniques are time-tested and akin to the customer surveys many companies already perform. The costs of not using them, however, can be prohibitive. | Q

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Digital Savvy Consumer study.

For the purposes of this study, Scarborough defined digital savviness as satisfying at least eight of the 18 high-tech consumer behaviors such as ownership of certain high-tech items (such as DVRs or satellite radio); consumer likelihood to engage in certain Web 2.0 behaviors (including blogging, downloading music and online gaming); and usage of leading-edge cellular device features (e-mail, text messaging, etc.).

In terms of purchasing patterns, digitally-savvy consumers are a luxury-oriented group. They are 56 percent more likely than the average consumer to own or lease a luxury vehicle; 175 percent more likely to have spent $500 or more on men's or women's business clothing during the past year; and 49 percent more likely to own a second home.

Online, this consumer group is equally high-end in its shopping behavior. More than half (54 percent) of the digital-savvy spent more than $500 online during the past year, and 35 percent spent upwards of $1,000 during that time frame. They are far more likely to spend online in high-end purchasing categories, such as automotive and travel, as well as everyday items, such as books and clothing.

The most digitally-savvy markets are known for leading the nation in a variety of high-tech behaviors. They also typically have the presence of major universities and represent established tech corridors in the U.S.

Politically, digital-savvy consumers are 25 percent more likely to be Independent voters. In terms of other major political parties, they are on par with the national average with being Democrat or Republican.

Active lifestyles and on-the-go living are common for this group. They are far more likely to enjoy athletic leisure activities including basketball, yoga, free weights training and jogging. The digital-savvy are 18 percent more likely to have longer commutes (one hour or more) to work each way. Given this active lifestyle, they rely on cell phones for communication and information. More than half (59 percent) of the digital-savvy use their cell phones for e-mail.

Demographically, the digital-savvy are male, young and wealthy. Fifty-six percent of them are male, and 77 percent of this consumer group is below the age of 44. They are 132 percent more likely than the average consumer to have an annual household income of $150,000 or more. In fact, more than half (57 percent) of this consumer group has an annual household income of $75,000 or greater. For more information visit www.scarborough.com/freestudies.php.

The U.S. is rich with millionaires

For the sixth consecutive year, the number of millionaire households in the U.S. (those with $1 million+ net worth, not including primary residence) has increased, this time by 5.9 percent from June 2006 to June 2007. There are an estimated 9.9 million millionaire American households, according to results from the annual Affluent Market Research Program (AMRP) conducted by New York research company TNS.

The mean age of the U.S. millionaire households is 66, with an average net worth of $4.6 million. The single most important financial goal of surveyed millionaires (56 percent) continues to be "assure a comfortable standard of living during retirement." Retirement and education are top-of-mind for this population, with the most often-cited financial event in the past year being "rolled over a retirement account" (13 percent), "paid for a child's education" (9 percent) and "paid for a grandchild's education" (8.5 percent).

Long-term investing continues to be one of the key success factors for these households, with the vast majority of millionaires making few reactionary changes in their portfolios. When asked about their investment approach from June 2006 to June 2007, 59.2 percent of millionaires indicated their "approach has changed very little;" 35.6 percent "took a wait-and-see approach towards investing;" and 24 percent "took advantage of buying opportunities."

Seventy-five percent owned individually-held stocks and bonds. Eighty percent of millionaires owned mutual funds outside of retirement accounts, reinforcing the premise that these investors develop a long-term financial plan and stick to it. Joe Hagan, TNS North America senior vice president, financial services, says that the continual rise in number of millionaires was largely due to prevailing market conditions. "The strong stock market absolutely contributed to the increase. Between June 2006 and June 2007, the NASDAQ increased by 9.9 percent; the S&P 500 by 18.4 percent and the Dow Jones Industrial Index rose an impressive 20.3 percent. It will be interesting to see how the current economic conditions in the U.S. affect the number of millionaires we see in 2008." The following is a list of the top 10 counties with the highest number of millionaire residents: Los Angeles County, Calif.; Cook County, Ill.; Maricopa County, Ariz.; Orange County, Calif.; Harris County, Texas; San Diego County, Calif.; King County, Wash.; Santa Clara County, Calif.; Nassau County, N.Y.; Suffolk County, N.Y. For more information visit www.tnsglobal.com.

Many Americans dipping into savings early

Approximately one-quarter of adults who are actively planning for their retirement have prematurely withdrawn from their retirement investment products for reasons such as a family member losing a job and the cost of a down payment on a home. Financial pressures that motivate premature withdrawals seem to begin at age 35, when nearly one-third of respondents report doing so. Respondents under the age of 35 are more likely to withdraw funds for mortgage payments and to pay for an event than older respondents, according to a Wall Street Journal Online/Harris Interactive Personal Finance Poll study from Rochester, N.Y., research company Harris Interactive.

Wealthier respondents with income of at least $50,000 are less

likely to have prematurely withdrawn funds from their retirement investment products. Those in the lowest income tier, under $35,000, are more likely to be affected by a death in the family and require premature withdrawals; however, only 35 percent of this segment is actually planning for retirement. Adults employed full-time feel the least pressure to withdraw funds prematurely from their retirement investment products, with nearly 70 percent of those actively planning for retirement never having done so.

Those working part-time experience more pressure in housing-related expenses and are more likely to prematurely withdraw funds for a down payment on a home and for mortgage payments.

Nearly one-third of adults who have prematurely withdrawn funds from their retirement products cannot pay them back, and 45 percent either cannot pay back the funds or have not begun to do so. Those ages 45-54 are more likely to be unable to pay back their premature withdrawals. The youngest adults, 18-34, seem to be more financially responsible or less financially burdened and more likely to be currently making payments. Among the oldest respondents who have prematurely withdrawn funds, one-quarter of respondents are still actively contributing to their retirement investment products. Even among the highest income earners (over $75,000) more than one-quarter of respondents cannot pay back their premature withdrawals.

Among the 90 percent of U.S. adults who plan on retiring, most continue to contribute to their 401(k), have an IRA or invest in the market. Nearly one-quarter have not yet started planning for their retirement, and about 10 percent say they do not plan to retire at all. A majority of respondents over the age of 55 have retired but nearly 40 percent are still planning for their retirement.

Those with more education are more likely to be engaged in every retirement planning activity surveyed, with each better-educated segment more prepared than the previous. College graduates make up the only segment where a majority is actively planning for retirement (65 percent). Over one-third of those with a high school diploma or less, and about one-quarter with some college education, have not begun to plan for retirement. Those with the highest incomes ($75,000+) are most active in their retirement planning. Nearly 40 percent of those with incomes under $35,000 have not begun to plan.

The proportion of the population that expects to rely on Social Security as a primary source of income in retirement has fallen compared to 2007, although a majority expect to rely on it. This decline comes mainly from respondents ages 35-44 and those over 55. Half of U.S. adults expect to rely on their 401(k), and one-third see their IRA as a primary source of income in retirement. However, nearly one-third of respondents also continue to view a pension plan as a primary source of income in retirement. Reliance on Social Security declines as respondents get younger, as reliance on 401(k)s generally increases.

Each segment with more education is more likely to cite a 401(k) and an IRA as a primary source of income than the previous. Despite the decline in offering traditional pensions, over one-third of respondents with some graduate-school experience expect to rely on a pension. This could be due to the type of employment that requires a graduate degree.

Interestingly, expected reliance on Social Security has only fallen among the least and most affluent compared to 2007. A majority of respondents across all income levels continue to see Social Security as a primary source of income in retirement. Respondents among the lower-middle class, earning $35,000-$49,999, are more likely to rely on Social Security compared to the total. The wealthiest respondents continue to be the most sophisticated and are most likely to be invested in 401(k)s and IRAs. For more information visit www.harrisinteractive.com.

Summer flavors sizzle year-round with gas grills

Grilling is no longer just a summertime activity as an increasing number of Americans fire up their grills year-round, according to Port Washington, N.Y., research company The NPD Group. NPD's 22nd annual Eating Patterns in America report shows that outdoor grill usage in America is at an all-time high and nearly double what it was 20 years ago. In 1985, 17 percent of households used a grill at dinner at least once during an average two-week period throughout the year; in 2007, it was 38 percent.

"While summer still accounts for the highest consumption levels of grilled food, grilling has increased the most in the other seasons of the year," says Harry Balzer, vice president at NPD and author of Eating Patterns in America.

From 1998 to 2007, households that consume at least one grilled item in a two-week period increased 5.8 percent for spring; summer, 3.0 percent; fall, 9.6 percent; and winter, 7.8 percent.

The 6.5 average increase in year-round grilling coincides with the increased ownership of gas grills, according to Balzer. The majority of households have an outdoor grill (76 percent), and the grill of choice is one that uses gas - 75 percent of grill owners have a gas grill.

In 2007, NPD estimates grill sales grew by 3.2 percent (unit sales) from the previous year. "Grills and other outdoor living products continue to be a bright spot in an otherwise challenging market," says Mark Delaney, director of NPD's home industry sector. "There's a BBQ grill designed to fit the needs and budget of every consumer, helping to make this category the most popular outdoor entertaining item owned."

Balzer also attributes the steady rise in grilling with the increasing number of men cooking at home. "This is the one cooking appliance men are more likely to use than any other appliance in the home," he says. Forty-one percent of men say they always do the grilling, while only 17 percent of women say they always do the grilling.

The top 10 most popular foods grilled are burgers (any, with or without bun), steak, chicken, hot dogs, pork chops, potatoes, vegetables, other pork cuts, sausage and seafood. For more information visit www.npdgroup.com.

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NCPDP launches pharmacy data tool

National Council for Prescription Drug Programs (NCPDP), Scottsdale, Ariz., has launched dataQ, a pharmacy data tool that provides health care stakeholders with current pharmacy information. DataQ is designed to enable pharmacies, health plans and other stakeholders to improve pharmacy database accuracy and electronic claims processing for faster reimbursement of prescription drug claims. It can also be used for pharmacy network development and credentialing, data validation, drug utilization monitoring and product recalls, along with market research and analysis.

Available with varying subscription and administrative levels, dataQ includes optional real-time Web access to pharmacy data, custom reporting and file download capabilities. DataQ relies on the NCPDP's data validation, verification and documentation processes. The launch reflects an evolution of the Standard Pharmacy Database version 2.1, which will continue to be available. For more information visit www.ncpdp.org.

Shopper Waypoints a relay for what's hot in retail

Atlanta marketing consulting firm The Capre Group has debuted Shopper Waypoints, a strategic insights exploration designed to help marketers get inside the mind of shoppers. Distributed as an insights magazine, Shopper Waypoints is designed to explore what impacts shoppers most in the areas of external influencers, money, value, time and what's hot and what's not in retail.

Using a quarterly online survey of 1,200 nationally representative consumers, Shopper Waypoints presents articles based on probing, open-ended questions to identify the latest trends and quantitative measures to help track shopper confidence, perspectives and behavior.

Shopper Waypoints is sold by subscription only. Subscribers receive four quarterly reports and four quarterly conference calls with Capre Group analysts. For more information visit www.capregroup.com.

TNS debuts two new products

The Sri Lankan branch of New York research company TNS has introduced two research products: Employee Pulse and Brand Power. Brand Power is a tool designed to measure the commitment of consumers toward the brand/organization and thereby identify the strength of the brand-consumer relationship. The tool is designed to measure the consumer commitment and loyalty toward the brand.

Employee Pulse is a tool targeting human resource practitioners, which may be helpful in measuring and monitoring the satisfaction of employees within the organization. The fundamental theory driving the Employee Pulse model is higher motivational levels of employees leading to better productivity and higher employee retention. For more information visit www.tnsglobal.com.

KOLOR brightens key opinion leader identification

San Mateo, Calif., research company AlphaDetail Inc. has debuted KOLOR, a Web-based key opinion leader report system designed to enhance product deliverables. KOLOR augments AlphaDetail's key opinion leader identification process with faster results, customizable data presentation configurations, advanced search filters, integration of primary and secondary research and key opinion leader profiles. Users are able to configure aspects of data presentation, including column display names, order and format. The Web-based system provides 24-hour access and multiple users are able to generate, share and export custom reports. For more information visit www.alphadetail.com/kol.

Briefly

London research agency YouGov has launched YourGeneration, a tracking service to connect with Baby Boomers. Through the YouGov panel, YourGeneration can access around 60,000 Boomers available to answer client questions on topics such as attitudes to life, ethical consumerism, marketing categories and brands. The quarterly tracker will contain core topics for each survey, as well as additional modules such as marketing and communications, technology and health, financial services and retail, and media and leisure. For more information visit www.yougov.com.

Seattle research company Survey Analytics has released the public beta of IdeaScale, a community-based portal designed to enable companies to gather real-time customer feedback on their own Web sites using a crowd-sourcing model. Pricing for IdeaScale will be free for the initial beta period and will continue to be free for individual Web sites and bloggers following the conclusion of the public beta. For more information visit www.ideascale.com.

Montreal research software company Voxco has launched Voxco Command Center 3.0. The updated release of Voxco Command Center includes a new data collection mode: CAMI (for surveys on mobile phone). Voxco Command Center 3.0 offers the opportunity to execute survey projects using CATI, CAWI, Web-CATI, CAPI, CAMI and IVR modes. For more information visit www.voxco.com.

Synergy International Limited Inc., an Akron, Ohio, research firm, has opened its 3,600-square-foot focus group facility in Fairlawn, Ohio. For more information visit www.synergycem.com.

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for most of the concepts and goals underpinning the FTC's principles, CMOR's official filing stated that data privacy is the cornerstone of the survey and opinion research profession. The filing added that no research companies or organizations are known to have suffered a data breach and suggested that online behavioral tracking could be a form of research particularly well-suited to the needs of nonprofit entities, political activists and for-profit businesses that are small or serve niche markets and interests.

Stamford, Conn., research company **InsightExpress** has been approved as a third-party ad-effectiveness research vendor within the Google content network. This approval signifies that InsightExpress has complied with Google's new formal certification process and is now authorized to conduct brand effectiveness research studies across the Google content network.

Acquisitions/transactions

Market Decisions Corporation (MDC), a Portland, Ore., research company, has purchased a Las Cruces, N.M., call center previously owned and operated by Portland-based **Research Data Design Inc.** The Las Cruces call center has 100 seats and employs approximately 150 people. Las Cruces' high concentration of bilingual Spanish/English speakers provides MDC with the opportunity to expand Spanish-language surveying capabilities.

New York researcher **The Nielsen Company** has completed the acquisition of **IAG Research Inc.** IAG Research will be rebranded as Nielsen IAG. Alan Gould and Ken Orkin, co-founders and co-CEOs of IAG Research, will continue on as co-CEOs of Nielsen IAG.

Ipsos North America, the New York branch of Paris-based Ipsos, has purchased **Monroe Mendelsohn Research**, New York. Under the new arrangement, the company will be known as Ipsos Mendelsohn.

Alliances/strategic partnerships

MarketResearch.com, Rockville, Md., has partnered with Oslo, Norway, research company **Comperio**, which will assist MarketResearch.com in designing, implementing and operating information access platforms using the FAST ESP technology in order to complete a new search and retrieval system to be implemented by fall of 2008.

London research company **TNS Sport** and Norwalk, Conn., sports marketing agency **Octagon** have partnered to conduct the ESPN Sports Poll, which will now include information gleaned from Octagon's Passion Drivers research.

Oxford, U.K., pharmaceutical research company **PharmaVentures** has partnered with **Growthink Research**, Venice, Calif., to roll out Growthinks' venture capital database to industry and academic customers.

Forward Research, St. Louis, has partnered with Canada-based **Ipsos Reid**. The new entity will be known in the U.S. as Ipsos Forward Research and will merge its practice with Ipsos Reid's agribusiness, food and animal health division, a specialized service based in Guelph, Ontario, and Winnipeg, Manitoba.

Six polling and market research companies, **AGB Nielsen** of the U.K., **GfK** of Germany, **Medián** of Romania, **RI Hoffmann** of the U.K., **Szonda Ipsos** of Hungary and **TNS** of the U.K., have joined in an alliance named the Professional Market Researchers to promote the common goals and development of the sector. The association will focus on quality control, protecting the reputation of the trade, monitoring of the latest trends, helping spread new research methods and dealing with phenomena harming the credibility of market research.

Awards/rankings

Fairfield, Conn., research company **Survey Sampling International** has been awarded the 2008 Gallup Premier Partner Award from Washington, D.C., research company The Gallup Organization.

Chicago research company **SPSS Inc.** has received the Yphise award from Yphise, a Southbury, Conn., IT research company, for best operational predictive analysis solutions, honoring SPSS Predictive Enterprise Services, SPSS Clementine and SPSS Dimensions.

New accounts/projects

Chicago research company **SPSS Inc.** has been selected by Sikorsky Aircraft Corp. to increase customer loyalty and anticipate customer needs in helicopter fleets.

BBM Canada, a Toronto ratings research company, has selected a joint bid by New York research company **Arbitron Inc.** and **TNS Media Research**, New York, to deploy Portable People Meter (PPM) technology for electronic measurement of television in Canada. The PPM television service is currently scheduled to begin installation in early 2009 with a commercial launch in fall 2009.

Separately, Arbitron has signed multiyear contracts for PPM radio ratings services for **All Pro Broadcasting** in Riverside-San Bernardino, Calif. The agreement will take effect as and when Arbitron commercializes the new audience ratings technology in Riverside-San Bernardino.

In addition, the **Radio Research Consortium**, Olney, Md., which focuses on non-commercial radio station research, has signed a multiyear contract for syndicated radio ratings services in all radio markets that Arbitron measures in the U.S. The agreement covers both diary and PPM.

Finally, **KVIB-FM**, 95.1 Latino Vibe, a Phoenix radio station, has signed a multiyear contract for PPM radio ratings services. The agreement will take effect as and when Arbitron commercializes the new audience ratings technology in Phoenix.

Reston, Va., research company **Input** has launched a new community for federal, state and local government employees offering free access to Input information services and market research designed to help government agencies improve government acquisition activities.

Redlands, Calif., geographic mapping software company **ESRI** has been selected by **Culver's**, a Prairie du Sac, Wis.-based restaurant chain, to use ESRI's geographic information system to optimize store locations and demographics when assisting franchisees in site selection.

New companies/new divisions/ relocations/expansions

U.K.-based **B2B International** has opened an office in New York.

Diane Frederick, Alice Fawver and Shaikat Sen, former senior executives of **Research International,** London, have collaborated to form **Blueocean Market Intelligence**, based in Phoenix.

Grand Rapids, Mich., research company **Emerse Inc.** has launched the Emerse research and development business unit. The group formerly functioned as InterActive Solutions and focused primarily on ethnographic research services. Emerse research and development continues the emphasis on ethnographic research but includes a broader range of consumer research and product development services.

Redlands, Calif. geographic mapping software company **ESRI** has opened a new division, ESRI Vietnam, in association with ESRI Thailand. Wichai Saenghirunwattana will serve as managing director of the new office.

Opinion Research Corporation will move its U.S. and global headquarters from Princeton, N.J., to Carnegie Center, N.J., in August.

MediaAnalyzer, a Hamburg, Germany, research company, has opened a new office in New York City.

Survey Sampling International, a Fairfield, Conn., research company, has opened a new office in Stockholm, Sweden.

London-based research company **Livra Panels**, which focuses on research in Latin America, has opened an office in Sao Paulo, Brazil.

Philadelphia research company **PeopleMetrics** has formed a division dedicated to the market research needs of the pharmaceutical and biotechnology industry called PeopleMetrics Rx.

Company earnings reports

Reston, Va., research company **comScore** reported revenue of $26.4 million for the quarter ended March 31, 2008, an increase of 41 percent compared to the first quarter of 2007 and an increase of 4 percent over the fourth quarter of 2007. This revenue performance exceeded the range of the company's guidance of approximately $25.9 million to $26.2 million for first quarter 2008.

First-quarter 2008 GAAP income before income taxes was $4.2 million, up 165 percent compared to the first quarter of 2007. Net income was $2.5 million, up 64 percent compared to the same period in 2007. The tax rate included in net income is a normalized effective tax rate of 39.9 percent, inclusive of an effective cash tax rate of 1.5 percent as the company continues to utilize net operating loss carryforwards to reduce cash taxes. By comparison, the first-quarter 2007 net income includes an effective tax rate of 2.9 percent.

Rochester, N.Y., research company **Harris Interactive** released financial results for its third quarter and fiscal 2008 year-to-date, which ended March 31, 2008. Third-quarter consolidated revenue was $57.3 million, up 11 percent when compared to the same period last year. Acquired companies (Asia, France, Canada and Germany) fiscal third-quarter pro forma organic revenue was $11.7 million, up 26 percent. However, due to revenue declines in the U.S. and U.K., consolidated pro forma organic revenue dropped 4 percent.

Operating loss was $(1.9) million, compared with operating income of $1.4 million reported for the same period last year. The net loss for the quarter was $(2.1) million, or $(0.04) per fully diluted share, compared with net income of $1.2 million or $0.02 per fully diluted share for the third quarter of fiscal 2007.

Adjusted EBITDA, calculated by adding back $1.0 million of non-cash stock-based compensation expense, was $1.6 million or 2.8 percent of revenue, down 58 percent when compared with $3.9 million of adjusted EBITDA, or 7.6 percent of revenue reported for the third quarter.

Consolidated bookings were $61.3 million, up 7 percent when compared with $57.6 million of bookings reported for the same period a year ago. North American bookings increased 17 percent, while European bookings were down 20 percent.

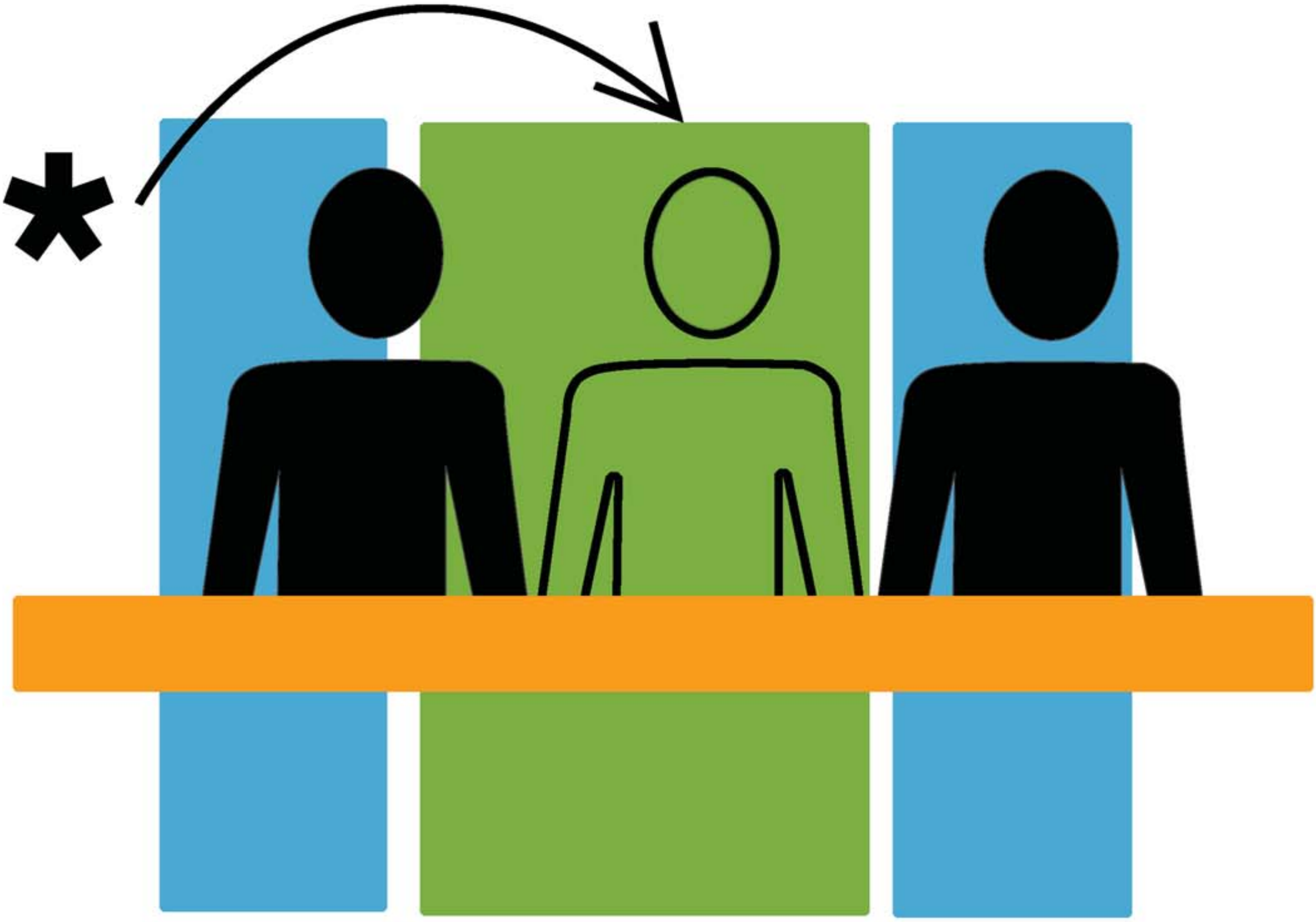
Year-to-date revenue was $175.2 million, up 13 percent when compared with the same period last year. Pro forma organic revenue dropped 1 percent. Operating income for the fiscal-year-to-date was $3.1 million, down 62 percent when compared with operating income of $8.1 million last year. Net income was $1.0 million, or $0.02 per fully diluted share, down 82 percent when compared with the same period in fiscal 2007.

Germany-based **GfK Group** reported sales growth in the first three months of 2008. Organic growth in sales rose by 5.1 percent to EUR 268.1 Million and adjusted operating income totaled EUR 23.0 million compared to EUR 24.8 million for the same months in 2007.

The proportion of total income generated in the first quarter was disproportionately low due to seasonal effects. Operating income rose by 3.9 percent to EUR 20.9 million. Consolidated total income rose by almost 21 percent to EUR 12.5 million.

The margin, which represents the ratio of adjusted operating income to sales, amounted to 8.6 percent compared to 9.5 percent for the year prior.

The retail and technology sector expanded its strong margin further. In the media sector, GfK achieved some sales growth in organic terms. Compared with the same quarter of the prior year, the custom research sector has seen a moderate start to 2008. GfK achieved double-digit growth in organic terms in Central and Eastern Europe, Latin America, as well as Asia and the Pacific.



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choice is greater. The cell phone, which often requires a contractual commitment, and real estate, which typically requires a large financial commitment, demonstrate this. Some 10 percent of cell buyers (or 27 percent of those who used the Internet specifically for research on their cell purchase) and 11 percent of home buyers or renters (or 23 percent of those who used the Internet for research on their real estate decision) said online information had a major impact on their purchasing decision.

(Because more real estate searchers used online resources in their research than did cell phone buyers – by a 49 percent to 39 percent margin – the lower figure for online real estate searchers' impact translates into a higher figure when focusing on major impact as a share of all respondents to questions about a product. That is, 27 percent of 39 percent for cell buyers equals 10 percent, and 23 percent of 49 percent for real estate searchers equals 11 percent.)

Before making the purchase, Internet users conduct extensive online research and, for many, it makes a difference in their final decision.

- For a good such as music – which involves less commitment but more difficulty in determining quality before purchase – online information competes with other sources as buyers search widely prior to buying. This lessens its influence on purchasing relative to the other products; just 7 percent of music buyers (or 12 percent of those who used the Internet to find out about music) said it had a major impact on their choice.

- Sizable numbers of those who use the Internet in product research for each of the three products report that they believe online information helped them get better deals.

Among those who used the Internet in product research: 42 percent of music buyers said online information helped them save money on music purchases; 41 percent of cell buyers said they spent less as a result of information they got online; and 29 percent of those who used the Internet in researching a new place to live said it helped get them a better price.

These figures suggest that, for some buyers, online information effectively improves their bargaining positions as they shop. There is, however, another side to the coin: People say online information can prompt more spending than might otherwise be the case. Among music buyers who use the Internet to find out about music, 37 percent said the Internet led them to buy more music than they otherwise might have. For cell buyers using the Internet for product research, 43 percent said online information led them to get a phone with more features than they otherwise would have.

Understand precisely

There is no doubt that the Web as a sales vehicle and sales influencer is a force to be reckoned with. But as the Pew report shows, the Internet's impact in these areas varies widely by product and service category. A keen analysis of those variances will ensure that too much emphasis isn't placed on the Web at the expense of other, still-viable sales-influencing factors.

The hope is that, rather than shifting most of a firm's focus to Web-based sales and communication with potential customers, marketers will take the time (and conduct the research) to understand precisely where and how the Web affects the purchase process. |Q

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classified ads

trade talk

By Joseph Rydholm
Quirk's editor

The Web drives sales, but not all by itself

Word of mouth has always been an important influencer of purchase decisions. The transfer of knowledge and opinions about products and services that used to take place over the back fence or at a cocktail party now occurs online in ever-growing amounts, thanks to the explosion of Web-based venues for consumers to share their experiences with other prospective buyers.

Stories abound in the business press of marketers scrambling to tap into and understand the role that this so-called user-generated content is playing. The overall impression these articles leave is that the Web's search and product comparison functions are now the dominant drivers of consumer buying choices.

But a recent study by the Pew Internet & American Life Project shows that, at least for the three product categories examined, while the Web plays a critical role, the good old-fashioned person-to-person sales function still has a strong influence.

The study looked at consumer purchasing behavior in three disparate categories: music, cell phones and real estate. As profiled by the organization's Associate Director John Horrigan in the report The Internet and Consumer Choice, respondents were asked whether they had bought any of the three aforementioned goods in the past year and were then directed to one of three question modules that delved into their decision-making process.

The goal was to analyze consumer choice for the three products along four dimensions:

- Search: How much people rely on the Internet in product research and to what extent online information smoothes the path to a purchase decision.
- Influence: Where the Internet's influence is great (or not) in a consumer's decisions.
- Participation: Whether Internet users get involved in online chatter or take other steps after purchase to engage with what they bought.
- Disintermediation: Whether the Internet serves as a way to go around traditional means (e.g., going to retail stores) to buy products.

Not the only method

Space doesn't allow for a full examination of the results (the report is free and can be found at www.pewinternet.org) but for me, these were some of the more interesting findings, as taken directly from Horrigan's analysis:

• The online mall helps people sort through product choice, but it is not the only method they use to assess products and not a place where people often close the deal. Among music buyers: 83 percent find out about music from the radio, TV or in a movie; 64 percent find out about music from family, friends or co-workers. For cell phone purchasers: 59 percent ask an expert or salesperson for advice; 46 percent go to one or more cell phone stores. For people looking for a place to live: 49 percent look at ads in the newspaper; 47 percent ask a real estate agent for advice.

• No more than one-tenth of buyers in each product category said that online information had a major impact on their purchasing decision. In conjunction with the finding that people use multiple sources, this suggests that the Internet is part of a competitive information environment in product research. Because people are willing to use other sources for product research, online providers of product information have incentives to be reliable as they reach out to consumers.

• When the product in question requires a large commitment by a buyer, the Internet's influence on the

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