

QUIRK'S

Marketing Research Review

OCTOBER 2008

Automotive research

- > Steering auto dealers away from survey manipulation
- > Analyzing the role of car brochures in the sales process

Customer satisfaction

- > Recommend the Net Promoter Score? Not at all likely.

Also...

- > Data quality for dummies
- > How vendors can increase sales to corporate research buyers



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in case you missed it...

news and notes on marketing and research



How grocery store samples leave us wanting more

Every grocery store knows that a hungry shopper is likely to buy more. On the other side are product marketers who would love to stuff customers with samples of specific items to obtain converts to their brands. Retailers worry: could food and product sampling sate hunger, and with it, the desire to fill the grocery basket?

Baba Shiv, professor of marketing at the Stanford Graduate School of Business, Stanford, Calif., has found evidence that product sampling in fact can do what a good French appetizer is intended to do: whet the appetite for more, even in someone who was not hungry to begin with. Not only can sampling stimulate the desire for more of the same product, but it can also spark an overall desire for anything pleasurable. Such a phenomenon is likely, then, to stimulate buying.



In a series of four studies conducted by Shiv and his colleagues, students were given small samples of a sweet drink or chocolate, and another group nothing, before having them settle down to watch a film in a room with a selection of readily available food or drink items. Those who had been “cued” with the samples consistently ate and drank more during the film than those who hadn’t.

One study also indicated that presenting people with a good-tasting sample may activate a general motivation for anything rewarding. Those offered a sweet drink sample not only drank more soda during the film, but desire for a series of consumer goods and experiences.

also afterward indicated a stronger desire for a series of consumer goods and experiences. The effect was the greatest for pleasure-oriented items.

Working off the hunch that brain chemistry might be at play, at the start of this particular study Shiv and his colleagues rated people on the behavior activation system (BAS) scale, a self-assessed measure of one’s tendency to “go for what one wants.” Sure enough, test-subjects who scored higher on the BAS scale consumed the most soda, led by those given the sweet drink sample beforehand. When asked afterward to rate their desire for several consumer products and experiences, these same participants also recorded the highest overall ratings.

In a final study, participants who sniffed a good-smelling substance (scented spray) drank more soda than those who sniffed a neutral-smelling substance (water), and far more than those who sniffed a bad-smelling compound (ammonia).

One noteworthy finding was that once the whetted appetite is sated, the effects of taste or odor samples don’t linger. The marketing implication is that customers who taste a morsel of cheese may reward themselves quickly by buying something luxurious and be done with it. Retailers, Shiv suggests, therefore may want to set up sample stations at strategic locations within a store to keep stimulating in customers the urge to indulge themselves.

Overall, however, the results of the studies suggest that stores can’t go wrong by making samples available. An ounce of mango salsa may turn out to be worth a pound of caviar.

Presidents remembered for the good and the bad

When shown a list of all U.S. presidents since and including Franklin D. Roosevelt and asked to pick the best, more people (25 percent) pick Ronald Reagan than any other president. However, this support is lopsidedly partisan. Fifty percent of Republicans choose Reagan compared to only 6 percent of Democrats and 20 percent of Independents, according to research from Rochester, N.Y., research company Harris Interactive.

When asked to say who they think was the worst president since World War II, many more people (34 percent) choose George W. Bush than anyone else. Here again the replies are strongly partisan. Fifty-eight percent of Democrats and 37 percent of Independents, but only 9 percent of Republicans, think George W. Bush the worst recent president.

When asked to choose the best presidents in U.S. history from a list including all recent presidents and some of the other most famous presidents, a 20 percent plurality choose Abraham Lincoln, and a further 13 percent pick him as the second best. Ronald Reagan comes second on the list (14 percent see him as the best and 11 percent as the second best), ahead of Franklin Roosevelt, John Kennedy, George Washington, Bill Clinton, Thomas Jefferson, Harry Truman or Theodore Roosevelt.

It may be worth noting that perceptions of previous presidents change and will continue to change as time passes - with Harry Truman often mentioned as an example of a president whose reputation has improved over time.

Do birds of a political feather flock together?

Americans often know a wide variety of people quite different from themselves. However, this level of familiarity doesn’t extend equally to all groups, especially in the realm of political affiliation, according to study results from Ellison Research, Phoenix.

The study asked Americans whether (and how well) they know a variety of different kinds of people. Relationships fell into four different categories: you currently know someone like this very well, you currently know someone like this casually, you used to know someone like this and you have never known someone like this.

Many Americans do not know anyone from the opposite side of the political spectrum. Just 47 percent of Americans who do not call themselves politically conservative say they know someone very well who is a conservative, while 24 percent have never known a conservative. Similarly, 42 percent of all adults who do not call themselves politically liberal know a liberal individual, while 25 percent have never known a liberal.

Liberals and conservatives are about equally likely to isolate themselves from the other side. Fifty percent of political conservatives don’t currently know any liberals very well, and 43 percent of political liberals don’t know any conservatives very well. Interestingly, political moderates are much more likely than people on either end of the spectrum to mix primarily with their own kind. Sixty percent of all moderates don’t know any conservatives very well, and 65 percent aren’t well acquainted with any liberals.



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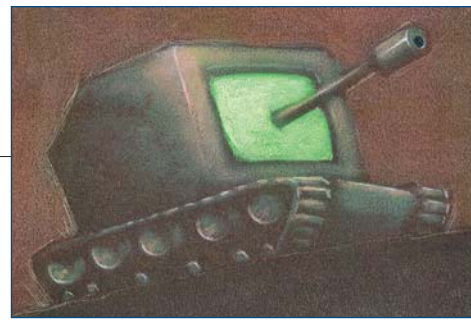
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war stories

true-life tales in marketing research



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.

Kevin Gentry of C.A. Walker Research Solutions reports on a study a colleague of his was involved with concerning testing names for a major car manufacturer's latest model. His colleague prepared boards with the vehicle test name, which involved letter and number appellations such as i230 or CS300.

The boards each had the test name on the front and an identifying code on the back of the boards in the hope that the interviewers could keep things straight for the rotation scheme. His colleague decided to put code names on the back of the stimuli, like "Alligator" and "Centipede" and so on. So when the tabulations came back, guess what the results reflected? Ratings of "Alligator" and "Centipede" and so on.

Donna Bookwood of W.W. Grainger tells about a study some years ago when working for another company. The project involved laundry water composition. The company sent clear plastic vials for people to fill with the water that fills their washing machines so that her client firm could develop a detergent that worked most efficiently with consumers' water composition.

One day, a kind neighbor of one of her panel members called the help line

and verified what they were asking of respondents because she found that her neighbor had filled the sample vial, but not with water. The panel member had mistaken it for a urine sample cup and was about to mail it back to Bookwood's firm! The neighbor was asked to please tell the panel member to promptly discard the vial.

Jon Hedry of AMN Healthcare recently discovered that the power supply to his MP3 player's speaker system was missing. He called the manufacturer and was greeted by a courteous sales person who helped him order a new one.

About a week later, at 5:30 a.m., his phone rang and a well-meaning customer service rep proceeded to ask him survey questions about his experience with their customer service. He was so amazed, he actually went along with the survey. The interviewer asked him about his "headphone purchase" and he pointed out that he had actually bought a replacement power supply for a speaker system. She asked him if he was satisfied with the product and he told her it hadn't arrived yet, and so it went. Finally, she asked if he had any additional comments. He gently suggested they not call customers at 5:30 a.m.

She clearly felt bad and apologized profusely.

Hedry reports that the final irony was that the product never showed up. He had to e-mail several times to get someone to send him the item. And, since this all happened after the survey, the company got a very good rating for what ultimately was horrible service.

Brad Adrian of Nortel reports on a focus group study he conducted years ago involving a proposed hospital lab blood analyzer.

As he stopped by his office at 5 a.m. to retrieve the electronic projector before flying out to perform the groups, the Indiana night's low temp of -30 degrees froze the outdoor badge reader, creating a frustrating delay that almost made him miss his flight.

The cold weather forced his plane to sit on the tarmac for an extra hour before leaving for Arizona, so he arrived at his focus facility just barely before the participants arrived.

He then learned that the delivery of the refrigerator-sized analyzer mock-up had been short-circuited by an earthquake in California the previous night. He frantically sketched life-sized images of the system on spliced-together easel paper.

When he plugged in the electronic projector, the bulb immediately blew. Of course, he had no extras with him.

Wary participants glanced suspiciously at the kindergarten-style drawings and his harried demeanor. When he tried to demonstrate the analyzer and its software on the computer the screens were all jumbled. Unbeknownst to him, the software writers had completely rearranged the menus and screens the day before.

In spite of all the delays, problems and missteps, though, he thought he'd pulled himself together fairly well, until about 60 minutes into the session, one of the participants asked, "If I leave now, do I still get paid?"

Nothing says your focus group is headed south more clearly than when participants try to walk out before the midpoint! | Q



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More women opt for handymen over husbands

Fewer Americans have plans to engage in do-it-yourself (DIY) home improvement projects in 2008, while they are more likely to have others do the work for them. Of the 81 percent of Americans planning home improvement projects in 2008, only 44 percent indicated they would do-it-themselves, down from 56 percent in 2006, according to a study conducted by Baltimore media communications company Vertis Communications.

Further, 37 percent indicated plans to have someone else do the home improvement work for them, up from 30 percent just two years ago. Female



decision makers age 25-34 are most responsible for this trend, falling to 32 percent in 2008 from 59 percent in 2006. Women decision makers age 18-24 also decreased, from 48 percent in 2006 to 29 percent this year.

Additionally, the survey found the down economy has not drastically impacted Americans' overall desire to take on the three most common home improvement projects. Landscaping, interior painting and remodeling a kitchen and/or bathroom are nearly as popular in 2008

as they were in 2004. Thirty-nine percent of household decision makers indicated they will paint their homes this year, compared with 40 percent in 2004. The percentage who will landscape and those who will remodel a bathroom or kitchen dropped only one point, respectively from 35 to 34 percent, and from 18 percent in 2004 to 17 percent in 2008.

Other key findings include: 57 percent of home improvement decision makers stated they turn to large home improvement stores first when purchasing items to assist with household maintenance; 18 percent of decision makers prefer a local option when shopping for home improvement needs, selecting a hardware store close to home; regular discount stores were the outlet of choice for 12 percent of household decision makers, rounding out the top three choices; and only 3 percent of decision makers indicated they opt for wholesale outlets such as Costco or Sam's Club.

Also, 30 percent of home improvement decision makers selected "having a retailer close to the home" as the most important reason in determining a store for their home improvement shopping needs; 17 percent of decision makers choose a store because of its large stock and selection; the third most popular reason for choosing a particular store was "always having what I need," according to 9 percent of decision makers; and only 1 percent of respondents answered that having an employee help find or choose home improvement items was important. For more information visit www.vertisinc.com.

Kia.com ranks highest among new-vehicle shoppers

Kia.com ranks highest among automotive manufacturer Web sites for usefulness in new-vehicle shopping, according to the J.D. Power and Associates 2008 Manufacturer Web Site Evaluation Study (MWES), Wave

2, from Westlake Village, Calif., researcher J.D. Power and Associates.

The semi-annual study measures the usefulness of automotive manufacturer Web sites during the new-vehicle shopping process. New-vehicle shoppers evaluate Web sites in four key areas: appearance, speed, navigation and information/content.

Kia ranks highest with an index score of 872 on a 1,000-point scale, marking a nine-point increase from the last wave of the study, which was released in January 2008. Closely following Kia in the rankings are Ford (871) and Mazda (870), with Ford performing particularly well in the appearance factor. Also performing significantly above the industry average are Honda, Jeep, Lincoln, Porsche, BMW, Cadillac and Subaru.

On average, most manufacturer Web sites undergo a major redesign every two to three years. While redesigns can eventually lead to increased satisfaction, small updates to improve critical areas on a manufacturer Web site, such as information and content and ease of navigation, can also positively impact the customer experience in a more cost-effective manner.

In particular, Ford and Porsche have made frequent tweaks and updates to their sites, all leading to a steady increase in satisfaction scores during the past four years, without a major redesign. Specifically, after enhancing navigation following the second wave of MWES in 2007, these manufacturers have also made significant improvements in speed since January 2008.

The study also finds the following key patterns: satisfaction with a manufacturer Web site tends to increase shopper visits to the dealership, as 75 percent of shoppers who give high ratings on a site are more likely to go to a dealership to test drive a vehicle. Overall satisfaction with manufacturer Web sites has increased to 849, eight points more than the previous wave

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names of note

Donna Gillin has resigned from her position as director of operations with the *Council for Marketing and Opinion Research*, Glastonbury, Conn.

Michael J. Marquard has retired from his post as CEO and a member of the board of directors for Saddle River, N.J., research company *PDI Inc.*

Menlo Park, Calif., research company *Knowledge Networks* has named **Martin Zagorsek** executive vice president, client service. Zagorsek will be based in the company's New York office.

IMotions, a Copenhagen, Denmark, research company, has named **Peter Schmidt** director of the Copenhagen office and COO of European operations. Additionally, *iMotion's* CEO and co-founder **Peter Hartzbech** has joined the board of directors.

Research International, Chicago, has named **Lisa Kassem** vice president; **Tom Buehrer** senior vice president and general manager, West Coast; and **Douwe Rademaker** worldwide director of marketing. Separately, *Research International* has made 10 promotions to its executive team: **Christine Turk** to senior account executive; **Chis Aswad**, **Jenny Matsui**, **Michelle Montalvo** and **Ramona Sandoval** to account executive; **Frank Gutowski**, **Christine Kiriazes** and **Joanna Zero** to senior research manager; and **Lauren Carlisle** and **Brynne Schmitt** to research manager.

New York research company *G3 Translate* (Gazelle Globalization Group) has hired **Alexander Veidt** as project manager and **Angela Marie Franco** as director of marketing and business development.



Wilburn

Salokar

CMI, an Atlanta research company, has hired **Morris Wilburn** as marketing sciences director of *CMI's* analytical services group and **Bill Salokar** as vice president, business development.

Joan Mancuso has joined *The Research Intelligence Group*, Fort Washington, Pa., as a senior vice president.



Jessee

Bleyaert

Morpace Inc., a Farmington Hills, Mich., research company has appointed **Brent J. Jessee** as vice president. Jessee will work out of *Morpace's* Irvine, Calif., office. *Morpace* has also appointed **Jan Bleyaert** as vice president, business development and qualitative research.

Cheskin Added Value, a Redwood Shores, Calif., research company, has hired **Alfredo Ortiz** as a vice president. Ortiz will be based in Atlanta.

Paul Semenza has joined Austin, Texas, research company *DisplaySearch* as senior vice president.

Polaris Marketing Research, Atlanta, has promoted **Amy Caira** to project manager and **Shana Latham** to data manager in the firm's service marketing research analytics department.

E-Poll Market Research, Encino, Calif., has hired **Neha Thakkar** as research manager.



Hirt-Marchand

Gentry

Marcus Thomas LLC, a Cleveland marketing communications firm, has promoted three individuals to senior vice president: **Jennifer Hirt-Marchand**, **Ellen Russell** and **Jim Sollisch**.

McCallum Layton, a Leeds, U.K., research company, has hired **John McCambley** as brand marketing and communications manager. **Mark Gentry** also joins the agency as research manager.

20/20 Research Inc., Nashville, Tenn., has named **Patrick Ragsdale** systems administrator and **Chad Clark** desktop support specialist.

Alexander Banks has been hired as managing director of *comScore Latin America*, a division of Reston, Va., research company *comScore*.

Paris research company *Ipsos* has hired **Matt McNerney** as president of *Ipsos Loyalty* in the U.S., based in New York.

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product and service update

ESRI with four new offerings

Microsoft Corporation, Redmond, Wash., and Redlands, Calif., geographic mapping software company ESRI have collaborated so that ESRI's geographic information system ArcGIS users will have access to the mapping and imagery content provided by the Microsoft Virtual Earth platform inside ArcGIS Desktop and ArcGIS Server. With Virtual Earth integrated into ArcGIS 9.3 Desktop, ArcGIS users are able to add base maps, which feature aerial and hybrid views, to perform data creation, editing, analysis, authoring and map publishing.

Users can preview Virtual Earth street maps, imagery and hybrid map layers at <http://resources.esri.com/arcgisonlineservices>. For more information visit www.esri.com/arcgisonline.

ESRI has released version 9.3 of ArcGIS. ArcGIS is designed to manage spatial information more efficiently, make better maps, send and receive information to and from the field, share common operating information and perform better planning and analysis. The new version also includes a new scatterplot matrix graph, new tools to help users understand how processes vary over space and a new vehicle routing problem. For more information visit www.esri.com/whatsnew.

Separately, ESRI's latest version of BusinessMAP Financial includes up-to-date map and financial services data now compatible with Microsoft Windows Vista. BusinessMAP Financial 2 includes the following updates: BranchInfo and MarketBank data from RPM Consulting; credit union data from the National Credit Union Association; street-level North American map data; demographic data from ESRI including current-year estimates

and five-year projections of census data; and ESRI's Community Tapestry market segmentation system that classifies U.S. neighborhoods into 65 segments based on socioeconomic and demographic composition.

The feature updates are designed to allow users to create pie and bar charts on maps to compare data between areas; add data to the map by state and census tract as well as by county, zip code, address and latitude-longitude coordinates; create spider diagrams or desire lines revealing customer-to-branch preferences; add photos to specific map locations; and export map points and polygons to Google Maps or Google Earth. For more information visit www.esri.com/bmapfinancial.

ESRI has also published J. Allison Butler's book *Designing Geodatabases for Transportation*, which details strategies to manage a highway, railway, mass transit or navigable waterway system. For more information visit www.esri.com/esripress.

CRS debuts new panel management module

Creative Research Systems, Petaluma, Calif., has launched its new panel management module for both Web and phone surveys. Integrating with the current Version 9.5 of The Survey System, the module is designed to create and administer databases of qualified participants who can be selected for specific surveys. Additionally, the module is designed to recruit panelists via Web site or e-mail; verify panelists using double opt-in; import groups of panelists; select panelists for specific surveys according to demographics, interests and past survey participation; track which surveys panelists received, started and completed; draw prize winners; let panelists earn and redeem points for

survey participation; flag inactive panelists individually or based on lack of survey participation; manage panels through an administrative portal; view demographic data and survey participation by individual; and view statistics for specific surveys. For more information visit www.surveysystem.com.

Arbitron launches three product updates

New York research company Arbitron Inc. has introduced the PPM Passport Training Program, a series of advanced sessions designed to help advertising agencies plan and buy media using Portable People Meter (PPM) ratings.

The program consists of two prerequisite sessions, PPM 101 - Overview and Planning and Buying in a PPM World, followed by seven advanced sessions of which three must be completed: PPM Myth Busters; Going Beyond Ratings; Sports, Events and Promotions; PPM Radio and Ethic Audiences; Planning with PPM Radio Data; How Reach and Frequency Work; and PPM Software and Data.

At the end of the program, trainees will receive a certificate of completion as well as recognition on the Arbitron Web site as an on-staff PPM expert. For more information visit www.arbitron-training.com.

In addition, Arbitron Inc. now offers a free, customized concierge service targeted to PPM survey participants between the ages of 18 and 34. The user-controlled, Web-based, telephone wakeup and reminder service is designed to improve compliance by increasing the day-to-day contacts between the PPM respondents and Arbitron's ongoing panel relations efforts.

Called the PPM VIP Service, PPM panelists in New York,

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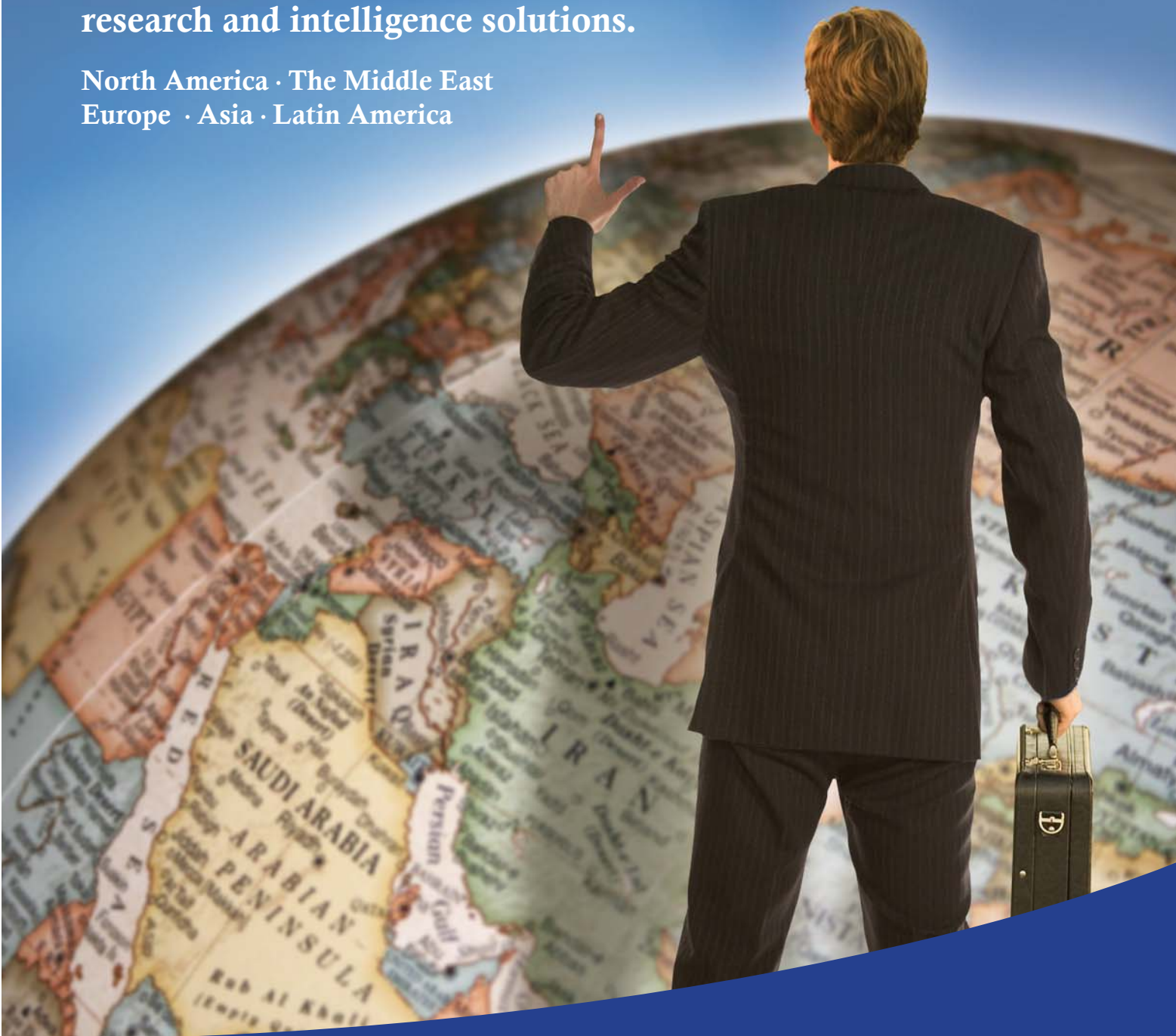


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News notes

The scientific journal of the Chaos Computer Club (CCC), *Die Datenschleuder*, reports that **TNS Infratest/Emnid**, a German division of Horsham, Pa., research company TNS, had problems securing 41,000 private data records of its survey participants. As the magazine reports, it was possible for participants to read master data records and consumer profiles without bypassing even basic security measures. Access to the comprehensive survey results could be gained by simply changing the customer ID number in the browser's address bar. Besides name and address, the data records included date of birth, e-mail address and phone number. Many records also included very sensitive information: monthly income, education, bank account information, health insurance data, if and which credit cards are used, which electronic devices are used in the household and children's ages.

Louisiana Act 810, legislation drafted by the **Council for Marketing and Opinion Research (CMOR)**, Glastonbury, Conn., which passed both the State House and Senate with unanimous approval, has been signed by Governor Bobby Jindal. The law will combat political persuasion calls (also known as "political telemarketing" or "push polls") while protecting legitimate survey and opinion research (including message testing).

As crafted by CMOR's government affairs experts, the law prohibits making any telephone call expressly advocating support or opposition of a candidate, elected public official or ballot proposition without identifying the source of the call. The law exempts legitimate survey and opinion research.

This is the first law in the United States to define and protect message testing in research. It

Calendar of Events November-January

The American Marketing Association will sponsor the third annual market research masters consortium on November 3-7 at the New York University Faculty Club in New York. For more information visit www.schmalensee.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.

The AMA will hold its advanced school of marketing research on November 9-14 at the Terry College of Business Executive Education Center in Atlanta. For more information visit www.marketingpower.com.

Frost & Sullivan will hold its annual Customer Contact Conference, Europe, themed "Proven Methods for Providing Excellence in Global Customer Contact," on November 9-12 at Hilton Barcelona in Barcelona. For more information visit www.frost.com.

ESOMAR will host a world research conference, focused on qualitative research, on November 17-19 in Istanbul, Turkey. For more information visit www.esomar.org.

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.

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

The Council of American Survey Research Organizations will hold its annual data collection conference on November 19-20 in San Diego. For more information visit www.casro.org.

ESOMAR will host its 2008 brand forum on December 1-3 in Paris. For more information visit www.esomar.org.

Frost & Sullivan will hold its annual Smart IT Sourcing conference, themed "Mastering the Complexities of Global IT Outsourcing and IT Enabled BPO," on December 7-10 at the Marriott Marco Island Resort, Golf Club and Spa, in Marco Island, Fla. For more information visit www.frost.com.

IIR will host its market research for financial services conference on December 8-10 at the Marriott in Newport Beach, Calif. For more information visit www.iirusa.com.

The IQPC will host a conference, themed "Youth Power 2008," on December 8-10 in San Diego. For more information visit www.iqpc.com.

The AMA will hold its Mplanet 2009 event, themed "Navigating the New Marketplace," on January 26-28 at the Rosen Shingle Creek Resort in Orlando, Fla. For more information visit www.mplanet2009.com.

will also serve as a model law for researchers to use in promoting proactive legislation at the grassroots level.

Itracks, a Saskatoon, Saskatchewan, research company, has filed a patent infringement lawsuit against Fremont, Calif., research company **Artafact LLC** in the United States District Court for the District of Massachusetts. In its complaint, filed earlier this year, Itracks asserts that Artafact's synchronous and asynchronous online focus group products, known and sold as Artafact

Online Focus Group Software and Artafact Diary Bulletin Board, infringe one or more claims of U.S. Patent No. 6,256,663. U.S. Patent No. 6,256,663, for an invention entitled "System and Method For Conducting Focus Groups Using Remotely Located Participants Over A Computer Network," which was issued on July 3, 2001, and subsequently assigned to Itracks. The complaint seeks unspecified damages and an injunction against future infringement by Artafact.

continued on p. 85



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Some are not satisfied with satisfaction research

Customer satisfaction research has come to be viewed over the past three decades as a viable business tool. But while many have glowing remarks about the process in general as a component of any competitive firm's general business practices, others are much less positive about its benefits. In the following paragraphs, using a perspective gained from nearly 25 years of customer satisfaction research, I'll explore some of the positive aspects and then touch on some negative views and how to counteract them.

I believe that one of the most valuable, but often overlooked, benefits of a good customer research process is that it gets the organization engaged in listening and reacting to customer opinions and expectations. Many employees feel secure in the notion that if you do not hear anything, satisfaction levels must be fine. Unfortunately, the sound you are not hearing may be the scurry of fleeing customers.

One example of getting an organization engaged was a project we did about 15 years ago

with a maker of environmental diagnostic devices. The firm had a few hundred customers in the United States and most did around \$200,000 of business each year. The CEO had asked the marketing manager to bring a customer list to the initial meeting. Upon seeing the poor quality of the list the CEO erupted: "Do you mean this client does nearly a quarter-million dollars of business with us annually and we only know him as Billy and we do not even have a telephone number?"

At that point, the organization became engaged. It became a team that produced accurate lists, fine-tuned a survey, anxiously awaited survey results and crafted some pretty tough action plans to improve its service and relationships with its customers. Customer service now belonged to everyone. The organization was engaged!



Uncovering service champions within the firm is another benefit of the satisfaction research process. When these people see survey results, they step up and begin fixing everything in their power.

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They make great service and process improvement team members and will likely support special service enhancement initiatives. On the other hand, there are also the naysayers, the non-believers and the "it ain't me" group who point fingers at others and fail to look in the mirror.

How you are doing

Naturally, the primary output of talking and listening to customers is the survey report - be it virtual, monthly, quarterly, semi-annual or annual - with its numbers and verbatim comments. I have always believed a survey should be designed to tell you how you are doing (scaled questions, yes/no, categorical, etc.) and that open-ended responses provide intelligent clues about what should be done to improve. If the research process is

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clean, the scope and sequence are appropriate and a sound design was used, the reliability should be good.

Sample design and sample size always seem to be debatable issues. A good survey is continually improved and shortened by using factor and regression analysis. This process should also be used to properly weight questions.

Customer satisfaction research must be treated with the same consideration as other research strategies. It should begin with well-conceived goals, a general rollout and reporting strategy and of course a time frame and budget. There should always be room for mistakes in conceiving and the toe-stubbing that comes with juggling a seemingly endless stream of project details.

Hoop-jumping

Many customer surveys are designed to produce ongoing, trackable data and contribute to incentive and bonus systems. Unfortunately changes often

require considerable organizational hoop-jumping and it becomes easier to simply ask the same questions again and again rather than fight the system. Thus, surveys are conducted for intrinsic purposes and lose their meaning as organizational development tools.

The biggest flaw in the customer satisfaction research process is failure to use data to establish an ongoing improvement process. Many organizations gather a wealth of information that fuels incentive and bonus programs with little consideration for actually improving customer service and business processes. Customer satisfaction must be a constant factor and a continuous “walk-the-walk” organizational belief. Appropriate metrics and evaluative tools are part of the process. In today’s research environment, data are often considered as a commodity and the act of using data to add value to the company begins only when improvement processes begin.

Can be overcome

Some of the organizational resistance toward measuring satisfaction is understandable. However, most hurdles can be overcome. Following are some common problems or issues surrounding customer satisfaction research and possible solutions.

Problem: No organizational consistency toward the measurement process. This is normally the lack of solid vision, communication and a consistent/structured approach to improving customer satisfaction.

Solution: Leadership. Someone must pull it all together so organizational vision and operational strategies connect. Someone must identify and cherish service champions and create and evaluate exemplary business processes.

Problem: Lack of an organizational strategy to deploy the information and implement improvement-related performance goals.

Solution: Design research that



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will improve both business processes and employee performance. Hold people accountable with improvement metrics.

Problem: Copycat research and the use of norms.

Solution: Design research that fits your strategic plan, not the strategy of some other business. Being five points above average is still average and not great.

Problem: Asking too many questions to the same sample, time and time again.

Solution: Define core questions and surround them with questions that change as the marketplace changes, and constantly refine the sampling process.

Problem: Frontline employees do not see the data and surveys are not connected to training.

Solution: Design surveys that produce strategic and operational data, and develop systems to involve everyone in improve-

ments. Use survey results in training programs and in new employee orientation.

Many organizations gather a wealth of information that fuels incentive and bonus programs with little consideration for actually improving customer service and business processes.

Problem: Customers never see results or are unaware what is being done to improve services and processes.

Solution: Continually communicate: "You said . . . we did." Tell customers what you are doing as a result of their feedback. Thank them frequently!

Problem: Not asking the right people the right questions.

Solution: Segment customer groups and continually refine questionnaires. Get people engaged!

Right planning

Most criticisms of customer satisfaction research can be overcome with the right planning and attention to detail. Organizations that have figured out the right questions to ask of the right people and how to use the data both operationally and strategically will continue to prosper. Naturally, a quality product and a competitive price are also components of the customer satisfaction equation. However, competition through customer service remains alive and well as a contemporary business strategy. | Q

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Design performance: the Kano model

I was attending a conference at a resort hotel in Orlando, Fla., standing in the lobby trying in vain to connect to a client who needed to discuss the results of a range of multivariate output. To my chagrin, my cell phone would not pick up a signal. Imagine my surprise when the nearby concierge, viewing my plight, permitted me to use his phone to complete the call. He even dialed the number for me.

That night, when I phoned room service, I was greeted with a polite, “Good evening, Mr. Lieberman.” During my stay, the room was immaculate and comfortable, and upon checkout I received a small, handwritten note of thanks from the clerk for staying with this resort and wishing me well on my travels.

Needless to say, I was delighted by the excellent service and wonderful room, and when I return to Orlando (hopefully with my wife and daughter), we will certainly beat a path to this resort, not only for its proximity to Disney World, but for the excellent service and warm, welcoming atmosphere.

This example provides a useful

opportunity to examine my hotel experience through the lens of the much-used Kano model of customer satisfaction. The model, developed by Japanese quality expert Noriaki Kano, describes the complexities of customer needs and their relationship to customer satisfaction. Kano identified four basic types of product features relating to customer needs:

Exciters. An unexpected service, such as the concierge offering me his phone or the personal note from the checkout clerk. For consumer goods, these attributes can be difficult to discover or must be somehow unique.

Satisfiers. These are the “more the better” things. For example, a restaurant that offers excellent food at a slightly lower price than the competition. These performance attributes drive satisfaction. When they are high, so is satisfaction. When they are low, satisfaction suffers.

Dissatisfiers. These are factors which cause the customer to dislike the product, but do not necessarily raise satisfaction levels if met. A good example would be a hotel room with no toilet paper or a business hotel that does not offer wireless Internet. One

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wouldn’t say, “Wow, that was a great bathroom; it had toilet paper!” But if there is no toilet paper the lavatory experience is negatively affected.

Indifference. These don’t make any impact one way or another. For example, a differential gear in a rental car has no effect because most customers don’t feel any benefit from a better distribution ratio and response.

The format is surprisingly easy to measure and illustrate (Figure 1).

Features tend to migrate between classifications over time. Yesterday’s exciter is frequently today’s satisfier and tomorrow’s dissatisfier. Car features such as electronic door locks and cup holders were at one time an exciting feature, then became a good plus, and now customers expect them and would be annoyed if they weren’t standard.

The Kano model is particularly



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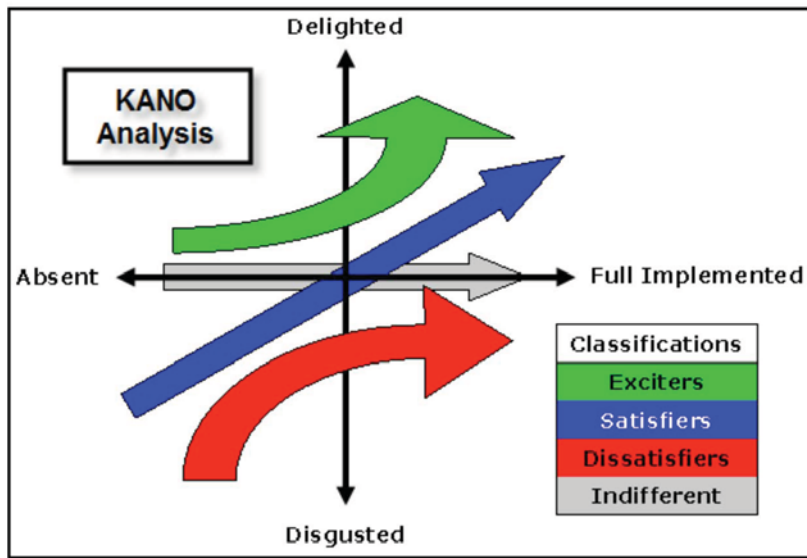


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Figure 1

Kano Analysis



useful as a precursor to choice exercises, such as conjoint analysis, when developing a product or brand communication strategy. Conjoint allows the researcher to explore more fully the interaction of various levels or

attributes, whereas Kano analysis is largely one-dimensional. However, Kano is far more simple to administer and can be used to winnow out insignificant attributes.

Kano is also closely related to

customer value management. By constructing a visual path the Kano model can serve as an organization's strategic navigation. As we said, attributes migrate from Kano categories, almost always in a downward direction. The Kano method becomes a precise technique for assessing the role of new product features and predicting how they will migrate, and gives a map of the strategic directions of the product or corporate communication.

In my resort example, the hotel managed to delight and surprise me with the little extras that make up great service, such as opening my presentation room an hour earlier than "allowed" so that I could set up my presentation and still attend the important keynote speaker. In the satisfiers category, the room was comfortable and functional. I was pleased, but expected to be. There was one dissatisfier - wireless Internet was included in the room, though I would have preferred that it not be part of standard, extra \$12-a-day resort tax on the bill. As for indifference, I didn't benefit from the live piano-playing in the lounge during the evenings - I hit the sack early.

Sample study

The easiest way to illustrate a direct application of the Kano process is to walk through a sample study. Let's say Jack's Steakhouse is a casual dining restaurant featuring barbecue and steakhouse cuisine, one of several chains owned by Colossal Restaurants.

Management at Jack's Steakhouse wants to conduct a customer satisfaction survey in order to quantify customer loyalty and ascertain their market position vis-à-vis the increasingly competitive casual dining segment. In addition, they request that we conduct a Kano analysis to assess what sets them apart.

Kano analysis is, in essence, a measure of importance of the features to the customer and performance of the business. Often a standard importance question is asked in addition to performance ratings and a dependent variable, such as overall satisfaction or purchase intent. The top of the scale, whether 5, 7 or 10, is "very important," and the bottom value is "not at all important."

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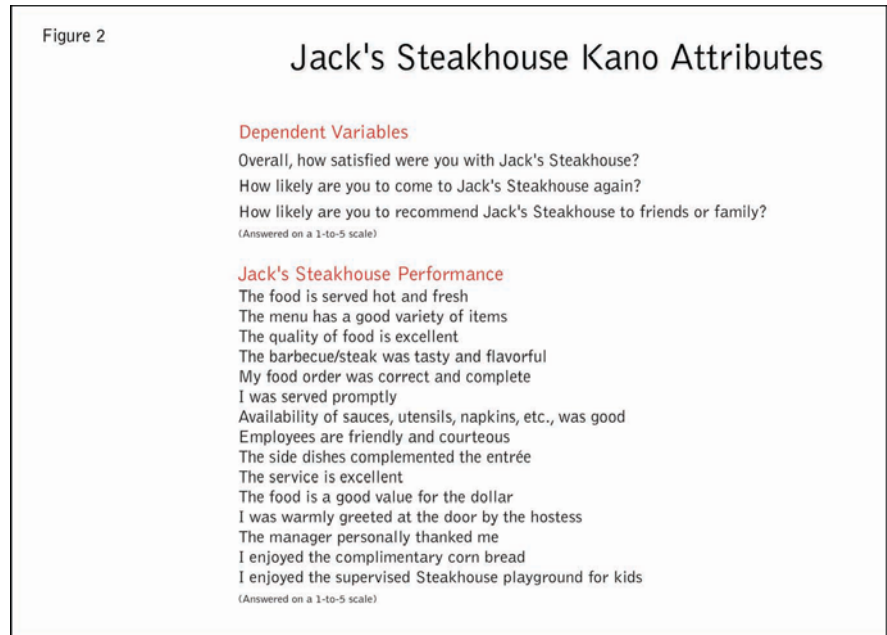
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For Jack's Steakhouse, we are looking to establish Kano points that drive satisfaction, but also distinguish the brand. Figure 2 is an illustration of how the survey questions are worded. Each of these performance attributes was also analyzed under stated importance.

If the project is geared specifically for a Kano measurement, it is recommended that the wording of the questionnaire be as follows for performance attributes:

- Much better than expected
- Better than expected
- As expected
- Worse than expected
- Much worse than expected

Kano's initial procedure is to determine inferred importance by testing the effect of variable performance measurements against a dependent variable. The dependent variable could be one of several commonly measured, such as "overall satisfaction," "likelihood to return to the establishment," or "likelihood



to recommend Jack's Steakhouse to friends or family."

In Kano and other analyses, we often find that a combination of these dependent variables can be calculated to create a more flexible loyalty score. This loyalty measure can serve a dual use. For example, if a patron of Jack's

Steakhouse has top box (5) scores for all three of the dependent variables in the survey, we can create a 1/0 measure called loyalty. Or, we can leave the loyalty measure a discrete value, with a range of 1-to-15 (the sum of all three dependent variables). Either of these two can be used in a correla-



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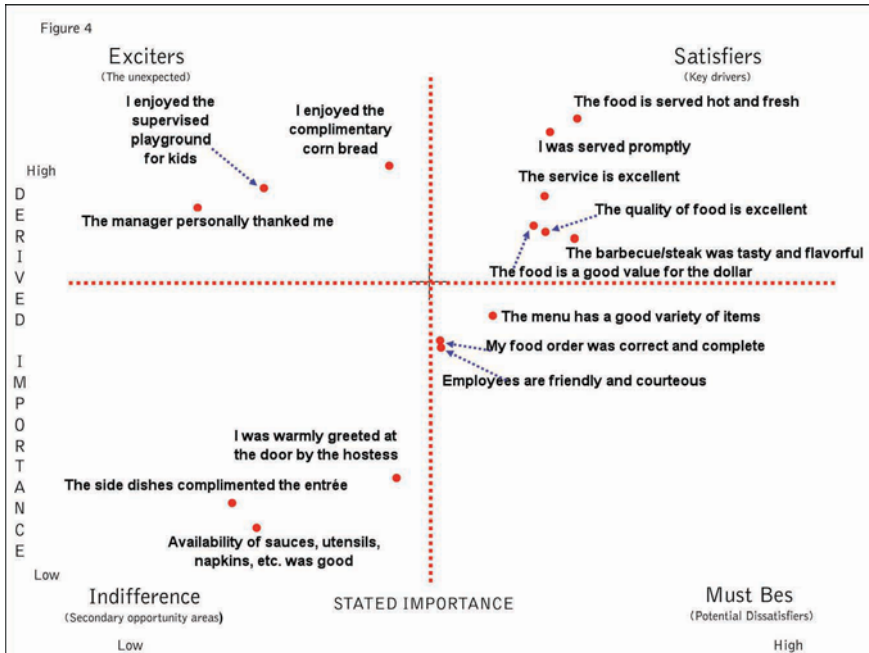


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Figure 3

	Stated Importance (TopBox %)	Derived Importance (Correlation Coefficients)
The food is served hot and fresh	78	0.50
The barbecue/steak was tasty and flavorful	77	0.41
I was served promptly	75	0.49
The food is a good value for the dollar	75	0.41
The service is excellent	74	0.44
The quality of food is excellent	73	0.42
The menu has a good variety of items	69	0.34
Employees are friendly and courteous	65	0.32
My food order was correct and complete	64	0.32
I was warmly greeted at the door by the hostess	60	0.21
I enjoyed the complimentary corn bread	60	0.47
I enjoyed the supervised Steakhouse playground for kids	48	0.45
Availability of sauces, utensils, napkins, etc., was good	47	0.43
The side dishes complemented the entrée	45	0.41
The manager personally thanked me	41	0.43

Figure 4



tion with performance scores.

Alongside the derived importance score is the mean stated importance (Figure 3).

When graphed, with derived and stated importance centered and normalized, a Kano visual illustrates more clearly the Kano quadrants and how

Jack's Steakhouse is perceived by its patrons (Figure 4).

Of course, many of the expected restaurant drivers do, in fact, show up in the satisfiers key drivers quadrant in the upper right-hand corner - good food, fast service, good value for the money. It is the upper left-hand quad-

rant, though, that provides the most insight for Jack's Steakhouse and differentiates it from other casual dining steak establishments.

One compelling finding is that, although patrons do not say so directly, a greeting from the manager does, in fact, have a serious impact on their overall enjoyment of the restaurant. This small extra effort by local managers could be a key catalyst to drive up dining occasions and sales.

In addition, the Kano process shows that two other attributes help Jack's Steakhouse to stand out. Most barbecue/steak casual dining restaurants do not offer all-you-can-eat cornbread. In the competitive, fill-up-the-tank culture of American dining, all-you can-eat is a powerful subliminal pleaser. Even though portions at Jack's Steakhouse are huge, patrons being able to eat all the cornbread they want is a distinguishing feature.

The second distinguishing feature of the study finds that Jack's supervised, themed play areas are a hit - and not just with the kids. In follow-up interviews, Jack's Steakhouse learned that parents find the area fun as well, and that they can place their children safely within sight at a supervised funhouse. When the food arrives, they saunter over, scoop up the kid, feed him, then place him back in the funhouse so that they, the parents, can enjoy the remainder of their meal while the children play.

Value added

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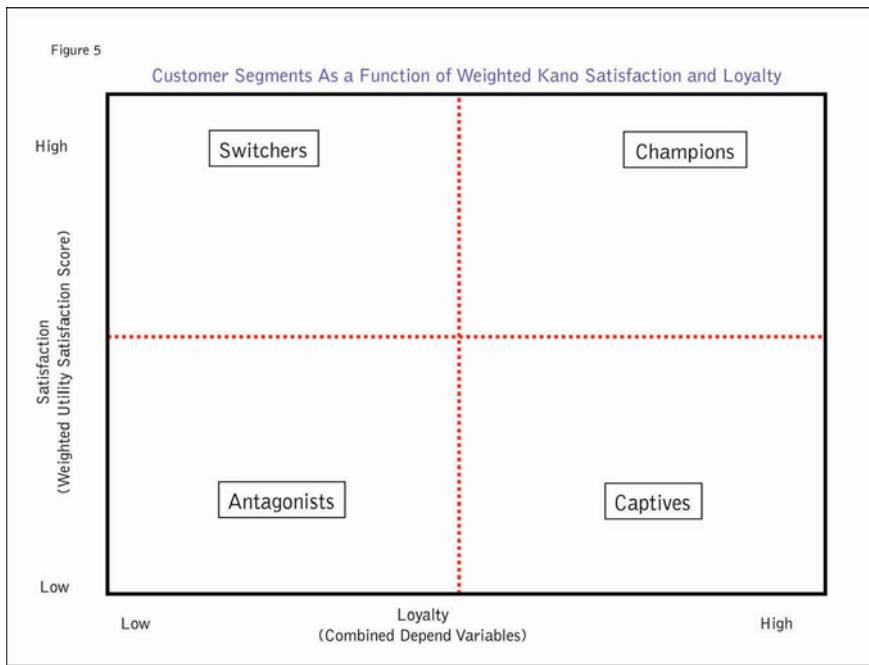


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deliverables without lengthening the duration or complexity of the data collection process. Time is money in market research. That is certainly true for the Kano model. Below is the outline of a useful addition which expands the informational “take.”

Kano weighting: When analyzing attributes at the aggregate level, some companies develop a weighting scheme based on the results of the Kano analysis. For example, when combining performance scores into one single satisfaction measure, a company might feel that a “must-be” potential dissatisfier might be twice as important as an indifferent attribute. Or they might want to give an exciter a weight higher than a key driver. The utility of such an approach is that the client might want to create a cross-company measure of effective-

ness which can be filtered by market, state, region, restaurant or even which manager is on duty during data collection. We’ll call this measure the utility satisfaction score.

This newly created Kano performance utility score, combined with the loyalty measure created above (the three dependent scores) now gives us the ability to cluster respondents based on their utility satisfaction score and loyalty measurements. The two measures are then plotted on a graph (Figure 5).

Jack’s Steakhouse *champions* are at the top right-hand of the graph in Figure 5. Highly satisfied and loyal, these customers are very likely to return often to the restaurant. Continuing research on corporate communications could be a useful follow-up, possibly with customer

value modeling to determine different lifetime values for these customers within age ranges.

Switchers, in the upper left-hand corner, are frequent casual dining customers – they like Jack’s Steakhouse, but they are equally likely to visit a competitor that provides a similar dining experience, perhaps with better value. Further research can determine how to appeal directly to these people and perhaps move them to the champions category.

Captives are the most puzzling of the customer for the executives to grip. They have lower than average utility satisfaction scores, but are highly loyal to Jack’s Steakhouse. Are they a flight risk in the highly competitive casual dining market? Captive customers are not a worry if, say, they are residents of central Alaska and are unhappy with their local airport. Where else can they go? However, within the realm of Jack’s Steakhouse, they can just drive down the block. How many of this type of customer exist in the market? The question is, what amount of marketing resources should be dedicated to moving these people from captivity to champions?

Finally, there are Jack’s Steakhouse *antagonists*. These people probably had a bad experience at Jack’s Steakhouse – possibly as a result of being dragged there by friends or family. With these types the restaurant should incorporate the services of an active complaint line, which is known to improve repeat patronage, particularly if they receive a freebie from Jack’s.

Simple but powerful

Our steakhouse example demonstrates how the simple but powerful Kano model is useful for understanding the difference between basic, performance and delighter features. By designing in and focusing improvement efforts on those features, you create customer delight, giving you a much greater chance of retaining your current customers and gaining new ones. | Q

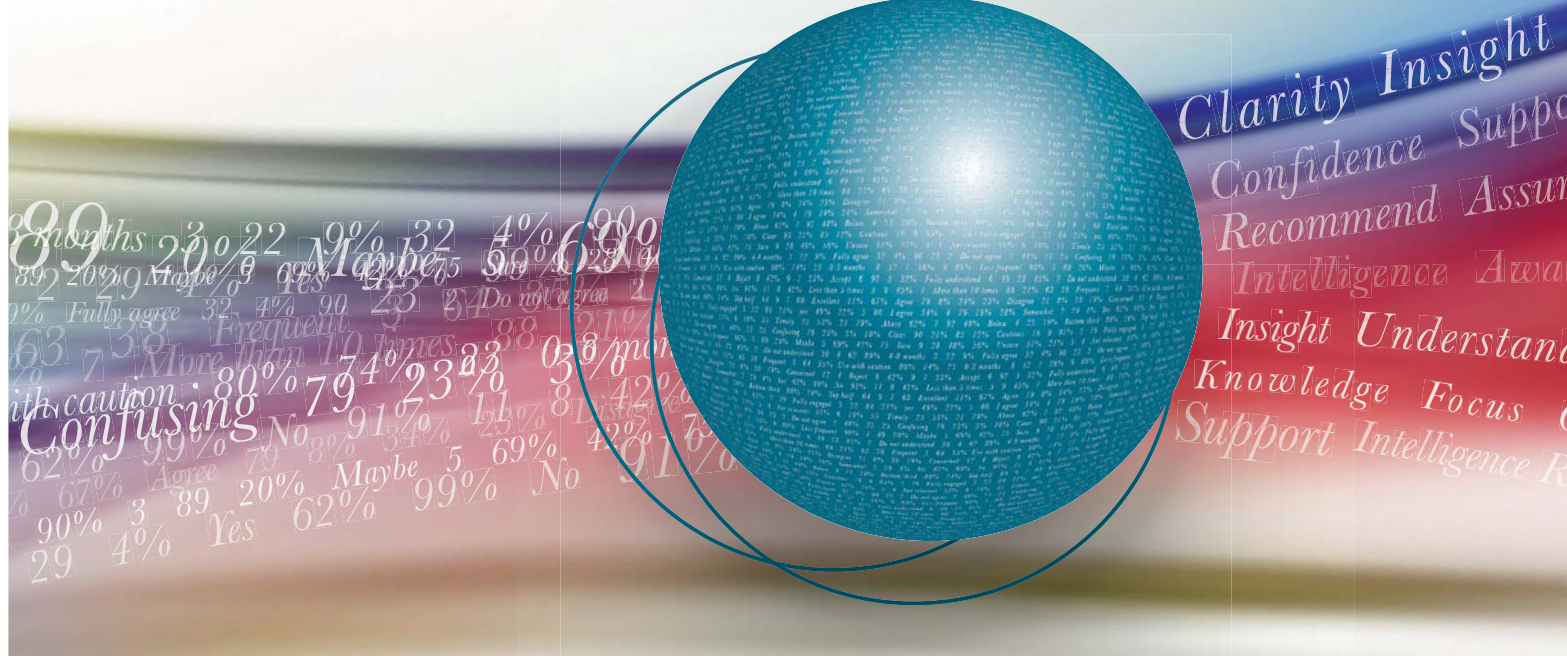
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By David Ensing

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Let me help you with that

Concerns about auto dealership attempts to interfere with the customer satisfaction measurement process have been around for a long time, but lately they seem to be intensifying. Clients are asking how to guard against survey manipulation, there have been articles and letters to the editor on the topic in *Automotive News*, and new methodologies employed in customer satisfaction research have led to new opportunities for survey manipulation. As a provider of automotive customer satisfaction research, Maritz Research offers this article as a perspective and thought-starter on defining and addressing survey manipulation.

How to address survey manipulation by auto dealerships

Difficult to determine

The exact frequency of survey manipulation within the automotive industry is difficult to determine because it depends on how survey manipulation is defined. An August 2007 *Automotive News* article reported that

nearly 50 percent of respondents to a TrueDelta poll of about 1,700 new car buyers said the dealership tried to influence their survey responses. However, upon examination of the full report available on TrueDelta's Web site, it is apparent that over half of the survey influence attempts reported were, "they asked me to let them address any problems rather than reporting them." Some would define this as survey manipulation; others would define it as good customer service.

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Specifically, customers responded in the following ways to the question, “When you purchased your car, what did the salesperson or manager say about the survey?”:

- 25 percent - They never mentioned the survey.
- 30 percent - They mentioned that I would receive a survey (but none of the following).
- 36 percent - They asked me to let them address the problems rather than reporting them.
- 28 percent - They asked me to give them perfect scores but did not beg.
- 8 percent - They begged me for perfect scores.
- 9 percent - They said they would only get a bonus if I gave them perfect scores.
- 2 percent - They asked me to bring the survey in to the dealer and fill it out while they watched.
- 2 percent - They asked me to bring

the blank survey to the dealer so they could fill it out.

- 2 percent - They offered me a gift in exchange for one of the above.

As noted by TrueDelta, in the approximately 45 percent of cases where dealership attempts to influence the survey were reported, tactics were relatively mild (asking for perfect scores or asking for a chance to correct any problems) and “in contrast, the relatively extreme forms of corruption were much less common than anecdotal evidence suggests.”

Several important conclusions can be drawn from this study. First, most dealerships do not attempt to influence survey results, at least not by making requests to customers. Second, in many cases attempts to influence responses may actually be appropriate and beneficial to customers (offering to fix any issues before they are reported). Finally, a small minority of dealerships

engage in blatant forms of survey influence, but they are contributing to a poor reputation for all dealerships.

Exist on a continuum

As can be seen from the list above, dealership efforts to influence customer satisfaction survey responses exist on a continuum. Some efforts can be seen as good customer service and may be encouraged, or at least accepted, by manufacturers. Other efforts are clearly dishonest and are only directed at increasing dealerships’ customer satisfaction scores. Unfortunately, many practices fall somewhere in between. Part of the difficulty of defining survey manipulation is determining where on this continuum a dealership crosses the line from acceptable practices to unacceptable survey manipulation.

Every manufacturer (preferably with input from its dealers) will need to explicitly define what it considers acceptable and unacceptable practices.



Also, many instances will need to be determined on a case-by-case basis because all forms of possible survey manipulation cannot be anticipated. As a general rule, at Maritz we define survey manipulation as anything dealership personnel do to encourage customers to misrepresent their actual dealership experiences or to systematically prevent the survey process from accurately measuring the overall dealership experience (e.g., encouraging satisfied customers to respond to the survey while not offering the same encouragement to less-satisfied customers).

What to do about it

Once manufacturers have decided what constitutes survey manipulation, they have to determine what to do about it. The first step most manufacturers and suppliers take is to put processes in place to identify dealerships that attempt to manipulate survey results. While this step is extremely important, we believe it only addresses part of the problem. To effectively address this issue, manufacturers, dealers and customer

satisfaction measurement suppliers need to work together and focus on:

- Establishing, communicating and consistently enforcing a strong policy prohibiting survey manipulation.
- Designing survey systems that make manipulation of survey results difficult.
- Setting up systems to identify dealerships that attempt to manipulate survey results.
- Working with dealerships to implement acceptable practices.
- Designing reward and compensation programs that minimize dealerships' motivation to manipulate survey results.

Our advice on each of these issues follows.

Establishing, communicating and consistently enforcing a strong policy prohibiting survey manipulation. This is probably the most important and least-executed step required to control survey manipulation. Engaging in survey manipulation is a risk/reward decision. If there is very little risk because there

are no or few consequences of getting caught, some dealerships will engage in the practice regardless of how many processes are put in place to minimize its occurrence. Consequences of engaging in unacceptable practices need to be specified in advance and communicated to dealerships and these consequences need to be enforced if dealerships are identified as engaging in survey manipulation.

A good example of a company that strictly enforces a policy prohibiting survey manipulation is Enterprise Rent-A-Car. At Enterprise, an important criterion for employee career advancement is the branch ESQi (i.e., customer satisfaction) score. Given the importance of this score to employees, one would think survey manipulation would be rampant. It is not, however, because Enterprise's executive management clearly communicates the importance of this measure and there is a company-wide understanding that manipulation will not be tolerated.

Being that dealerships are independent businesses, automotive manufacturers do not have direct control over their dealerships and dealership personnel as Enterprise has over its branches and branch personnel. Therefore, manufacturers will need to utilize consequences which they have the ability to enforce. Effective consequences we have seen include:

- Removing manipulated surveys from the scoring process.
- Requiring dealerships to reimburse the manufacturer for the cost of conducting their CSI surveys for the time period under which manipulation occurred.
- Denying customer satisfaction-based compensation or rewards to dealerships that have manipulated their scores.
- Subjecting dealerships that have been identified as manipulating their scores to audits of all or many of its manufacturer programs.
- Including language in the manufacturer/dealer franchise agreement that customer satisfaction survey manipulation is grounds for removal of the franchise.

Designing survey systems that make manipulation of survey results difficult. Manufacturers and their suppliers

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should design systems that make survey manipulation as difficult as possible. These systems need to be continually monitored and updated to address new methods of survey manipulation. Some ways to make survey manipulation difficult include:

- Use contact information that can be verified. A simple way dealerships can manipulate the survey system is to provide false customer contact information. By doing so, the dealership personnel ensure that unsatisfied customers are unreachable or they can even intercept the contact and respond to the survey themselves. Therefore, when possible, it is advisable to use contact information that can be verified.
- Don't conduct point-of-purchase/point-of-service surveys. While this is probably one of the easiest ways to contact the customer, it is easily intercepted by dealership personnel and it is practically impossible to verify that the customer is truly responding to the survey.
- Use contact information that can reach all, or almost all, customers. Having the ability to reach all customers is important for sampling reasons, but an added benefit is that it helps reduce survey manipulation. If contact information that covers only a percentage of customers is used (e.g., e-mail addresses) it is much more difficult to identify instances where dealership personnel omit this information when a customer is upset.
- Use multiple contact methodologies. Using a multiple contact methodology (first attempting to contact a customer by e-mail, then moving to mail, phone or both) makes it more difficult to influence the survey process because multiple sets of contact information would need to be manipulated.
- Allow customers the option of remaining anonymous. If customers know that dealership personnel will not be able to tie their responses to their names they will be less likely to give in to pressure from dealership personnel to provide them with good scores.

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Setting up systems to identify dealerships that attempt to manipulate survey results. When most of us are on the highway and we know there are no police to monitor our driving, we tend to speed more than we should. Similarly, the less likely dealerships are to get caught manipulating survey results, the more tempting it will be for some of them to try. Therefore, processes need to be put in place to identify potential survey manipulation. These processes will be specific to the given project and the methodologies used, but can be broadly categorized as follows:

- Examine customer contact records. One of the most frequently used methods of survey interference is for dealership personnel to intercept surveys by providing false customer contact information. Customer contact information should be examined for duplicate or fake addresses, phone numbers, e-mail addresses, etc.
- Examine incoming materials. Incoming surveys can often indicate that manipulation has occurred. This ranges from fairly obvious cases where several paper surveys from different customers are included in the same return envelope, to the less obvious (but identifiable) cases where Internet-based surveys show signs of manipulation.
- Examine customer comments. Examining customer comments is

one of the easiest ways to identify survey manipulation and one of the few ways to identify when customers have been pressured to give high ratings. Often, when customers are pressured to give good ratings, they say so on the survey.

- Examine contact resolution reports. Calculate contact resolution at the dealership level and identify dealerships that have unusually high levels of invalid contact information. These dealerships may be entering false contact information when customers are upset, thus making these customers unreachable.
- Examine the actual data. Dealerships that engage in survey manipulation might show distinctive data patterns in their survey results such as highly variable data, sudden changes in data or increasing response rates nearing the end of a scoring period.
- Randomly audit survey responses. The best way to determine if customers have been pressured to misrepresent their experiences at dealerships is to ask them. Unfortunately, many dealerships balk at this process because they feel that by doing so the manufacturer is instilling distrust between the customer and the dealership. A potential compromise is to conduct random audits of survey respondents where a relatively small number of customers are telephoned and asked about

survey manipulation efforts.

- Put a survey manipulation question into the survey. This practice can be helpful and it has been used in several customer satisfaction surveys. It helps identify when customers are being pressured to misrepresent their dealership experiences but it does not address survey manipulation in the form of dealer personnel intercepting surveys or providing invalid contact data.

Working with dealerships to implement acceptable practices. There are many practices dealerships can implement that both increase customer satisfaction scores and improve the customer experience. If manufacturers embrace these practices and work with dealerships to implement them, dealerships will have less need to engage in unacceptable survey manipulation. Some practices we have seen encouraged by manufacturers include:

- Showing the survey to all customers and requesting that they return it.
- Asking customers if they are unsatisfied about anything regarding their experience and attempting to resolve the issue.
- Telephoning customers within a few days of a sales or service event, inquiring about their satisfaction and engaging in appropriate efforts to resolve any dissatisfaction.
- Explaining the importance of receiving customer feedback for both the dealership and the manufacturer.

Designing reward and compensation programs that minimize dealerships' motivation to manipulate survey results.

Finally, we need to examine why dealerships are motivated to manipulate survey results. The answer is simple: In many cases the difference in a few customer satisfaction surveys can mean a lot of money for the dealership. While it is important to hold dealerships accountable for their treatment of customers, and compensation based on customer satisfaction scores is the most obvious way to do that, we believe the way in which some reward and compensation programs have been designed has exacerbated the problem of dealerships attempting to manipulate the system. Some suggestions for setting up



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programs that minimize the motivation to manipulate results while still holding dealerships accountable for customer satisfaction are:

- Compensate/reward based on several desired business metrics of which customer satisfaction is only one. Use of additional desired business metrics has several advantages. First, customer satisfaction scores are less likely to be manipulated because their weight in determining compensation is reduced. Second, and perhaps more importantly, dealerships can focus too much on customer satisfaction. We have heard of cases where dealerships have refused to sell vehicles to customers because they were afraid the customers would give them poor customer satisfaction scores. Obviously, this is to the detriment of both the dealership and the manufacturer. If number of sales was also a criterion in the compensation program, this would be much less likely to happen.
- Use a tiered compensation strategy rather than an all-or-nothing strat-

egy. Dealerships will be less likely to manipulate survey results if the stakes of missing a target score are lessened. A tiered program with graduated rewards is both more motivating for dealerships (especially those that have little chance of reaching the highest level) and reduces motivation to manipulate the survey process because less differential compensation is at stake between reward categories.

- Separate the dealership performance appraisal process from the dealership diagnostic process. When dealerships try to affect performance appraisal scores (so they get compensation from the manufacturer) they also contaminate their diagnostic results. Therefore, they don't know what processes actually need to be improved at the dealership. One way to address this issue is to conduct performance appraisal evaluations separately from diagnostic evaluations. While dealerships may still attempt to manipulate their performance appraisal evaluations, manipulation of their diagnostic information will be to their detriment.

- Require large sample sizes for determining scores. Obviously, the smaller the number of responses that make up a dealership's score, the greater weight each response has in determining the score. Therefore, changing one or a couple of responses can have a large impact on the final score. If manufacturers limit their reward and compensation programs to annual or semi-annual awards, fewer end-of-term manipulation efforts will take place because it will be more difficult to move the overall score. Manufacturers might also consider different award periods depending on size of dealerships.

A systemic issue

We believe survey manipulation is a systemic issue, but it affects vehicle manufacturers differently. Each manufacturer, with input from its dealerships, needs to decide what practices are acceptable and unacceptable. Each manufacturer needs to determine how seriously it wants to pursue this issue and how serious the consequences should be to its dealerships who engage in unacceptable practices. IQ

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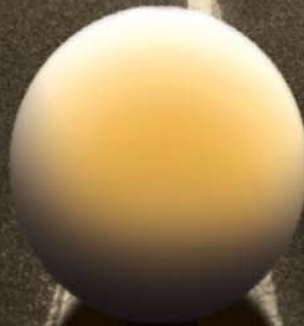
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A growing sense of community

Over the past several years, online communities have developed into powerful platforms for engaging customers in extended conversations. As more and more corporations embrace online communities, many market researchers are eager to pursue a more sophisticated set of research applications within them.

General Motors was among the first in the industry to take private online communities to this next level. Seeking to lend greater validity to the insights gained from online communities, it needed online communities to not only act as a vehicle for interaction and observation but also for the findings they generate to carry statistical weight.

GM's experience, and the experiences of other companies pursuing quantitative results, suggests that the industry still yearns for answers to significant questions about the quality of insights generated by online communities:

- Are business insights from online communities similar to those from online access panels?
- What types of consumers join online communities?
- What level of data quality do online communities provide?
- How does the online community experience contribute to fostering positive feelings toward the research process among respondents, and, by extension, to enhancing data quality?

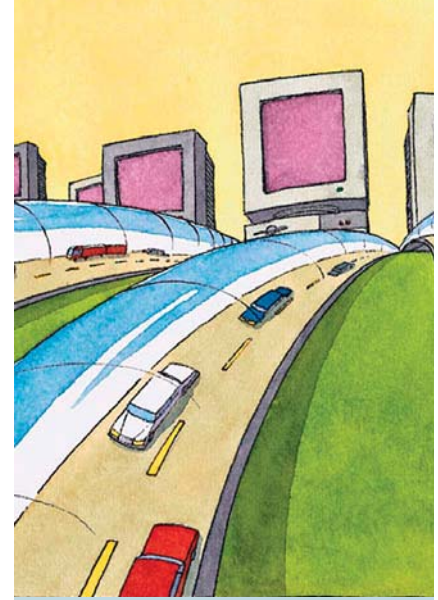
How do online communities compare to online panels?

Same explanatory power

For online communities to become the basis for a new paradigm in market research, it's vital that they provide the same explanatory power and business insights as current approaches. In contemporary market research, that standard has been set by online access panels. While Internet panels are certainly not without their detractors, in a world where online access is widespread and surveys in other modes are increasingly difficult, we feel

The answers to these questions are critical, since they point to the potential for online communities to represent a new research paradigm - one that combines the tools and statistical power of quantitative research with an interactive and engaging environment that can fuel additional types of insights.

This article explores these questions and examines how the implications of our findings will affect the future of online communities in marketing research.



By Gregory S. Heist and Mitchell S. Sanders

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online panels are the most relevant benchmark for quantitative research in any new research platform.

Because participants in online communities are recruited using methods similar to online access panels (or in some cases, recruited directly from them), it would be surprising to find that the two types of sample generate radically different results. To substantiate this intuition, we investigated three studies that were conducted using parallel samples from online communities and from online access panels.

As suspected, we found a very high degree of similarity between online community results and our benchmark - online panel results. The results from the side-by-side studies (unweighted studies of American adults) are as follows:

Greeting cards. In a study of seven holiday greeting concepts, a measurement of purchase intent using a constant-sum allocation task yielded identical rankings of the concepts in both samples. Across each, average interest for the concepts differed by no more than 2.5 points on a 100-point scale.

Pet care. In an importance rating of 61 evaluative statements concerning shopping for pet care items, in both samples the top three statements were in the same order, and the top 10 statements contained eight items in common. Over the entire list, rankings differed by an average of only two spots. A ranking of satisfaction with pet care retailers was identical (considering the six retailers with at least 100 responses from each sample).

Electric vehicles. A study of electric vehicle concepts yielded very similar results about attitudes, concept evaluation and manufacturer rankings (see sidebar).

Further, it should be noted that the negligible differences between the samples would not have changed the nature of any business insights from the three studies.

This is not to say that participants in community surveys are in all ways identical to online panelists. Not surprisingly, members of an automotive-related community tend to have greater interest in, and expertise about, automotive issues (see sidebar). Nevertheless, despite these differences, this analysis clearly shows that online communities and online panels provide

equivalent business insights, and would produce the same business decisions.

Selection effects

Online communities and online panels share another characteristic - the potential for selection effects. Membership in an online panel or an online community does not happen at random - participants have chosen to join, and have chosen to stay involved. Therefore, some characteristic differences from the general population are to be expected in any sample obtained online.

In a sample from Consumer Village - a Gongos Research-managed community - we found that respondents spend more time online per week (21 hours) than the average online American (10 hours). Respondents from Consumer Village also engage in a more eclectic set of online activities - they are more likely to use online classifieds, buy in online auctions and do their banking online.

Still, these observed differences should not be concerning, for two reasons. First, members of online communities and the general population engage in the same types of online activities, albeit to varying degrees. However, unless these differences between online community members and the general population are correlated with responses to the questions of interest, they will not impact results. In such cases, conclusions can be considered projectable to the general population.

Likewise, for topics where online behaviors are found to be relevant, such as exposure to information found online, or opinions related to online privacy, knowing the nature of the differences also provides the power to mitigate them. It is possible to use national benchmarks for online behavior as a "safety net," using weighting or sample stratification to balance results. This type of adjustment would be in addition to any stratification, quotas or weighting implemented to balance sample demographics to known benchmarks.

Can provide quality data

In general, evidence shows that online communities can and do provide high-quality data. In our experience with Consumer Village, for example, we have seen an average response rate of

33 percent over the past 12 months, with 90 percent of studies having response rates between 22 percent and 41 percent.

Inattentiveness varies with study type and length, but respondents from online communities are consistently more attentive than industry standards, as measured by occurrences of straightlining and looking at consistency with data-quality traps.

On average, of those who qualify for a study, 92 percent complete it. If we include those who are terminated because they fail to qualify, the completion rate rises to 97 percent.

Consumer Village retains an average of 88 percent of its members per quarter (where attrition is defined as non-participation in a six-month period). At least 95 percent of Consumer Village respondents, and sometimes more, are willing to provide information about their household's income.

Other communities, which structure incentives to promote participation over the life of the community, can be expected to have even higher response rates, completion rates and retention rates. But even without this boost, data analysis can proceed without significant concerns about data quality.

Positive experiences

There are some standard elements of online communities that can help facilitate data quality, like customization, visual appeal and ease of use. But we believe that the key drivers of data quality are the positive and diverse experiences available to participants in online communities.

To understand how these opportunities impact respondent motivation, we asked a sample of Consumer Village members to rate the importance of various statements about participation in online research. Some of the usual suspects emerged:

- Nearly 90 percent considered “earning incentives or rewards for participation” to be important.
- More than three-fourths identified “influencing the decisions that companies make about products,” and “expressing my opinion” as important.

Yet there was also broad interest in the types of experiences provided by online communities:

- 47 percent considered it important to “interact with others about topics that interest me.”
- 39 percent considered it important to “belong to a community.”

A more in-depth dialogue with members in Consumer Village echoed these results, and indicated the impor-

ance of community interaction in producing a positive online experience.

To measure community participation, we looked at the frequency with which respondents posted messages in community forums, either in response to a moderator-sponsored activity or on their own initiative. We found that for many members, their community experience tends to resemble that of an online panel, as they respond to survey invitations but decline to participate in discussion forums. But significant num-

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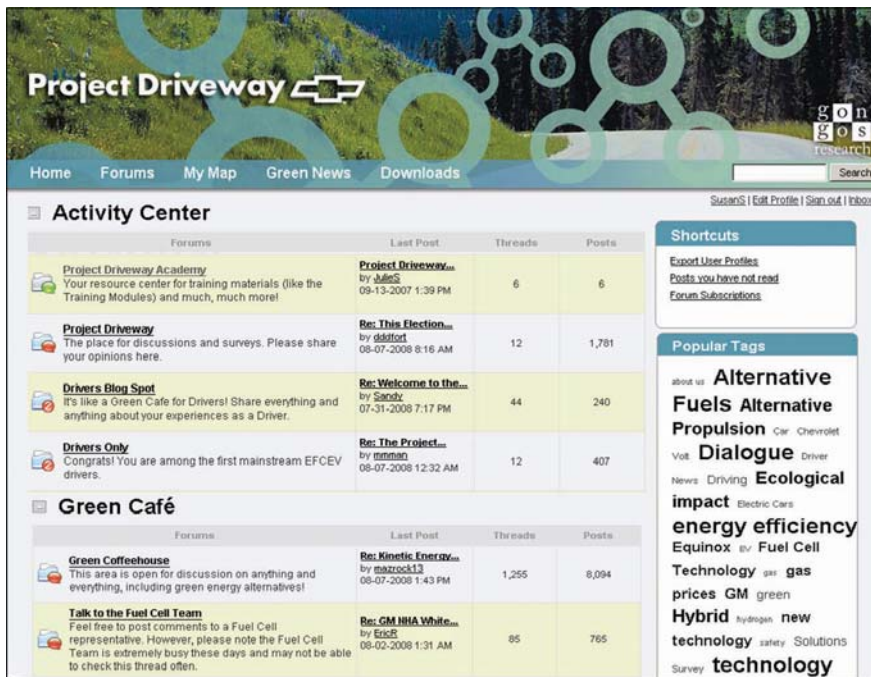
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bers take advantage of the interactions that the community has to offer: 19 percent post on average at least once every two weeks, and another 10 percent post on average at least once a month.

Further, these community-oriented behaviors are strongly associated with increased participation in quantitative studies.

- Among those who post on average once a month, participation in

quantitative surveys is 29 percentage points higher than for the average member of Consumer Village.

- For the most frequent posters, those who engage in discussions on average at least once every two weeks, the increment is 36 percentage points.

This finding makes sense on both practical and motivational grounds. There is a direct effect of participation, as more frequent posters have greater

exposure to surveys posted in the community and therefore encounter more opportunities to participate.

But more importantly, there is an indirect effect of participation, based in the motivations of community members. Those who are inspired to share their opinion in one way (via discussion forums) will also be likely to express that opinion in other ways (quantitative surveys). And because communities tend to attract and retain those who are interested in expressing their opinions in an interactive community, those same individuals will respond at relatively high rates when invited to participate in quantitative studies.

High response rates would not be especially helpful if highly motivated respondents skewed a study's results, because easier access to lower-quality data is not a winning combination. But as we've seen from our sample comparisons, online communities generate the same conclusions as online access panels. Online community members may express their opinions more frequently, more avidly and more vividly, but the opinions they express don't differ significantly from their more reserved counterparts.

Implications for the future

Our findings point to a number of exciting implications for the future. More than just a technologically-driven reinvention of the market research wheel, online communities have the potential to usher in a new type of relationship with consumers.

The interactive and collaborative community environment creates a different dynamic for marketing research. Beyond a linear transaction of data, communities offer a wide range of ways for consumers to share opinions, exchange ideas with others and learn about how others feel about various topics.

The ability to post topics of their own enables community members to connect with other consumers, providing researchers with the ability to observe consumer behavior on a larger scale. By mining consumer-generated content for insights, researchers can identify innovation opportunities and gain fresh perspectives.

The community model paves the way for corporations to conduct quality research while simultaneously reducing costs and increasing the speed

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Let's look at the numbers: online community vs. online panel

It's not surprising that over 90 percent of respondents in a recent automotive study agreed that "the cost of gasoline is rising at an alarming rate." Similarly, large majorities concurred that "we rely too much on foreign countries for our oil/petroleum needs," and that "I am concerned with the current cost of fuel for my vehicle," while less than 10 percent of respondents reported that "I do not think fuel-efficient vehicles are important."

These were among 42 statements about fuel economy, environmental issues and vehicle styling that were recently evaluated using two different samples: an automotive online community and an online access panel. Importance rankings were highly consistent across the two samples: the top eight statements in each sample were identical, and differed by no more than one place. Overall, half of the 42 statements were ranked identically or within one place, and on average, each statement's ranking differed by only 2.5 places between the two samples.

When asked about purchase consideration for a plug-in hybrid vehicle on a 10-point scale, the average response differed by no more than 0.25 points between the two samples. And when asked about purchase consideration with respect to specific manufacturers, company rankings were identical in the two samples.

Community members are more likely to describe themselves as people who "like introducing new technologies to [their] friends" (42 percent vs. 27 percent) and whose friends "think of [them] as a good source of information when it comes to vehicles" (45 percent vs. 29 percent). But, as the strong similarities between samples suggest, these knowledgeable community members are equally helpful at providing useful insight into the vehicle-related attitudes and perceptions of the general public.

with which decisions can be made using consumer input.

Since communities generate real-time longitudinal insights that can be continuously integrated into the decision-making process, they help "bring consumers to the executive table" within an organization.

As GM's Project Driveway shows, the informal and interactive nature of online communities provides an opportunity to integrate marketing and branding activities within the context of a true market research environment. Project Driveway is a multi-year online community for the GM fuel cell program that blends market research, viral marketing, public relations and in-field product

testing. Representing a joint effort between GM's fuel cell engineering team, global product research and corporate marketing, members of Project Driveway are selected based upon their geographical location (living close to existing hydrogen refueling stations), various demographic and attitudinal factors and their interest and passion for green vehicle technologies.

Select members of Project Driveway are given the opportunity to be among the first consumers in the world to test drive GM's fleet of hydrogen fuel cell vehicles for two or three months. Drivers participate in press and media events and provide ongoing detailed feedback to the community about their driving experience.

By integrating all of these disciplines into one community, Project Driveway highlights ways in which online communities can become even more valuable for meeting the needs of multiple disciplines within an organization.

New realm

It is clear from our analysis that online communities represent a promising new paradigm in the field of marketing research. They have the potential to deliver statistical results that are equivalent to traditional online access panels while simultaneously creating a rich new realm for interacting with, and learning from, consumers in relevant and dynamic ways. | Q

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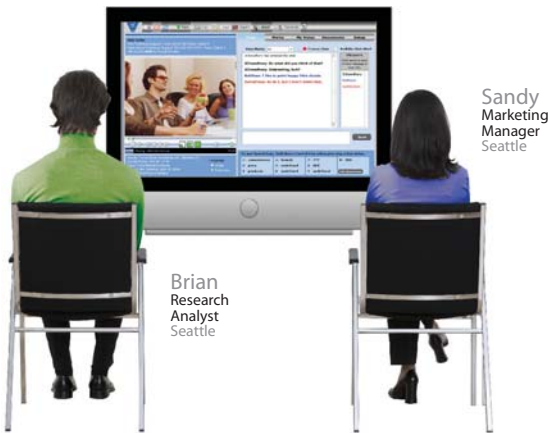
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Emotion in motion

Car advertising represents a high-involvement category, by which we mean the consumer invests a large amount of time and energy in search of information before making a purchase decision. A typical search process might involve paying close attention to car commercials on television, visiting a Web site to obtain information about features and pricing, reading *Consumer Reports* for safety ratings or *Road and Track* for performance data, and ultimately visiting a dealership to see and touch the machine, perhaps even taking it for a test-drive. One place that advertising inserts itself into the process is in the colorful, glossy brochures, showcasing the particular model you're interested in, that the dealer will hand you if you leave the dealership without buying the car.

The purpose of these long photo essays on the car of your dreams is obviously not to teach you anything very technical about the car, though they do contain a certain amount of technical information. These brochures only come into your hands toward the end of the search process, after you've been through much of the preliminary information-gathering, and after the car salesman has tried very hard, but unsuccessfully, to close the deal while you're sitting behind the wheel of the model on the showroom floor. These books are expensive to produce, with photographs that rival those in *National Geographic*.

Analyzing the role that car brochures play in the auto sales process

Largely emotional

As you would see from the large array of pictures depicting the car in a variety of poses and settings, the purpose of these brochures is largely emotional. The job of the brochure is to keep a dream alive, to make the car as real as possible in your imagination so that it can hold on to your fickle emotions as you compare and contrast it to the one or two other cars that are competing for your commitment. In

the pages of the brochure you imagine yourself driving the car across landscapes that you've only seen in the movies; you see yourself riding beside smiling friends or having fun chauffeuring happy children; you notice the admiring glances of strangers watching you pull up in front of glamorous urban destinations; and, perhaps, you discover that this vehicle does indeed have 2.5 more cubic feet of cargo space than the other car you're fantasizing about.

When we conduct communications tests of brochures for car com-



By Charles Young

Editor's note: Charles Young is CEO of Ameritest, an Albuquerque, N.M., research firm. He can be reached at 505-856-0763 or at chuck@ameritest.net.



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Figure 1

Catalog Performance for Ten Different Car Models

Pre-Post Shift in Top-Two Box Purchase Consideration	A	B	C	D	E	F	G	H	I	J*
	+3	+5	+8	+15	+19	+21	+22	+32	+36	+58

*New Car

panies, we find a wide range of performance for this form of advertising. For example, if you look at the pre-to-post shift in purchase consideration for 10 brochures tested among a sample of new car purchase intenders (see Figure 1), you can see scores ranging from a low of +3 to a high of +58. In other words, like all other forms of advertising, executional performance goes from no impact to high impact. In terms of sales, some brochures bring the customer back to the showroom while others do not.

Mix of visuals

From our diagnostic research we have learned that much of these differences are driven by the mix of visuals used in the brochure. At the simplest level, the pictures in the brochure can be divided into those containing rational information about the car (e.g., an engineering graphic of the drive train) versus those conveying emotional content (e.g., a picture of the car speeding along a desert highway dramatizing the idea of freedom). But it's also important to keep in mind that the emotional experience of owning a car is multidimensional.

In fact, there are three fundamentally different ways of classifying the emotional, experiential imagery in a car brochure based on the point-of-view represented by each photograph. Images which put you in the driver's seat and evoke the speed and handling of the car in motion generate very different emotions from those that put you in the passenger seat, enjoying the luxury of fine leather, or those which show how you look to an admiring third party walking down the street.

If we add in the informational category of imagery, we have four classes of photographic images that can be found in a typical car brochure:

- **Informational images:** visuals depicting product features, engineering cutaways, options such as color choices, or more generally, images showing the car out of context, as in a dealer showroom-like limbo.
- **Driver experience images:** photos of the car in motion or being driven, or interior shots showing the driver's viewpoint behind the wheel, driving down the highway. The key here is kinetics, or the sense of motion evoked by the photograph.
- **Passenger experience images:** photos showing actual passengers or showing the passenger viewpoint in the car (e.g., the spaciousness of the cabin) or containing props (e.g., sports equipment) implying the presence of passengers. The key here is the comfort and luxury of the interior space.
- **Observer experience images:** photos showing a third-party point of view of the car on the street, or exterior shots of the car emphasizing styling rather than performance (e.g., close-ups of styling details or parts of the car). The key here is the sense of style, status and lifestyle connoted by the imagery.

The mix of these four types of images varies considerably from one brochure to the next, but the average content for 10 different model brochures discussed in Figure 1 gives us a sense of what car manufacturers believe are important for brochure advertising to be effective at bringing the customer back. Two-thirds (65 percent) of the photographic imagery in these 10 brochures is devoted to emotional, experiential content while only one-third (35 percent) of images provide rational information content. Moreover, the experiential imagery can be further subdivided, so that roughly one-fourth (26 percent) are devoted to

the driving experience, one-fifth to the passenger experience (22 percent) and one-sixth (17 percent) to the observer experience.

Of course, the images in the brochure come in many sizes, with some images spread over two pages in the brochure and others representing a fraction of the page. Moreover, placement in the brochure, from cover to the inside of the last page, may also be important in determining the impact of an image, just as it is in other forms of print advertising. To show how these different factors interact to determine the overall impact of a brochure, we should briefly explain how we do our diagnostic research.

We test brochures and catalogs both offline and online. Online is, of course, quite a bit cheaper, but when interviewing offline we have the opportunity to actually watch consumers looking through the book and record our observations of their reading behavior.

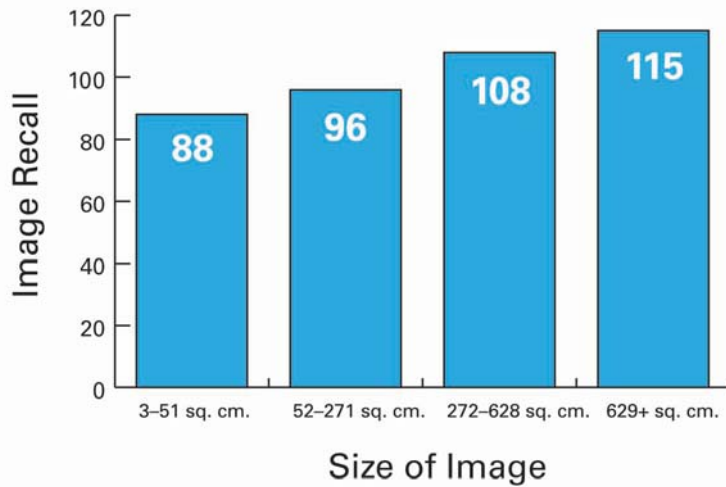
When consumers look through a brochure their search behavior is a lot like that of a shopper browsing through a store – it's fairly non-linear. For example, only six out of 10 consumers will read through the book from front to back. Four out of 10 will backtrack, returning to a previous page a second time after looking at it once. One out of 10 will skip pages without pausing. And only seven out of 10 actually take the time to read the copy that goes with the pictures. As the consumer's mind moves through the book his or her attention focuses on some pictures and ignores others. Understanding the kind of imagery the consumer focuses on – and responds emotionally to – is important for understanding the overall impact of the brochure.

To measure the visual communication of a brochure, we perform a kind of exit interview with respondents after they've finished reading it. The Ameritest Picture Sorts is a diagnostic tool most frequently used to explain the performance of television commercials, but it can also be used to track visual perceptions of consumers after they've left a store to determine how they "read" the store. It also can be used to measure how consumers shop the visual

Figure 2

Recall by Image Size from Ten Car Catalogs

(Average recall for all catalogs = 100)



information in a brochure.

The technique is simple. First, you deconstruct the brochure into its major graphic elements - photographs representing everything from two-page spreads of the car to the small graphic icon of the J.D. Power award it might have won. Typically,

from 40 to 50 visual images form a representative sample of the total visual content of a car brochure. After collecting standard verbal diagnostic information about the brochure such as likes/dislikes or brand perceptions, respondents are asked to sort through a randomized set of the visual images

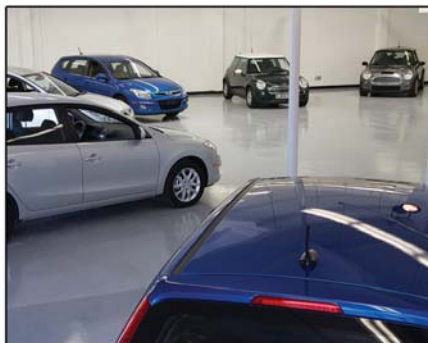
from the brochure.

Three picture sorts are typically performed by consumers: first, which images they remember seeing as they browsed through the brochure; second, what their emotional responses to the images were as they looked at them in the brochure; and third, what each image meant to the consumer, measured in terms of the type of emotion that is evoked or the brand value that is communicated.

Attention is driven in part by the size of an image. If you look at Figure 2, you can see how well-recalled an image is as a function of the size of the image, measured in square centimeters. Looking across the data for 10 car brochures, the smaller visuals (fraction of a page) generate only 88 percent of the attention of the average visual in the brochure, while the larger visuals generate 115 percent, or above average, attention.

Placement within the category also affects consumer attention. Figure 3 shows the first part of a Flow of Attention graph for a brochure, which plots audience attention as a func-

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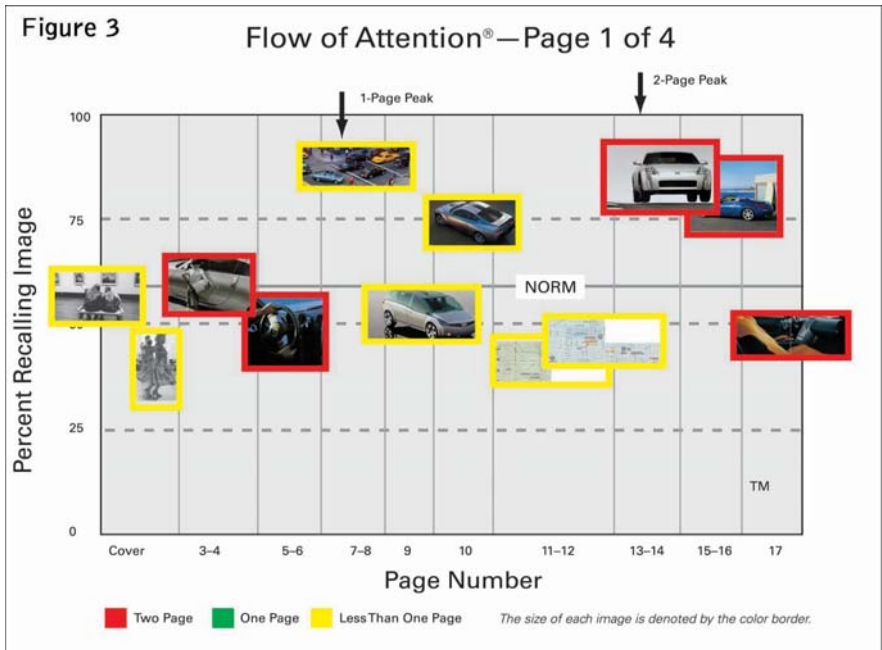
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tion of which page in the brochure a visual appears on as well as the size of the photographic image. As you can see, consumer attention varies considerably from image to image, and not just as a function of image size. Of the two peaks shown in this part of the Flow graph, one peak is

a two-page visual while the other is a one-page visual. In general, we frequently see examples of smaller images getting more attention than larger images. In part, this is a function of the narrative flow of the brochure and in part this is a function of the actual content of the image.

Emotional response

The content of a photograph affects not only attention, but more importantly, the emotional response of the consumer to the image. Figure 4 shows the levels of consumer attention and emotional response to the four categories of imagery described above. On average, consumers pay less attention and respond less emotionally to the informational images compared to the experiential imagery.

The types of image that most strongly engage consumer emotions are those that promise the driver experience, with scores +119 percent of average. This is a highly intuitive result. To keep the dream alive so that the consumer goes back to the dealership a second time to actually buy the car, you need to keep the consumer imagining what it actually feels like to drive the car! Not surprisingly, car manufacturers long ago learned this advertising lesson - though we do have examples of brochures that under-deliver on this type of imagery. Moreover, it's important for marketers to understand which particular driver experience imagery most strongly engages consumer emotions. Note that it is the execution that makes the difference as much as the content.

The second most powerful type of imagery is the kind that depicts the third-party, observer experience. Remember, these are images that focus on the aesthetics and styling of the car, the status that it symbolizes and the reactions of people who admire you in the car. For some, the car you drive is an important badge of identity, and therefore, imagery that speaks to your "car-as-identity" has a strong pull on your emotions.

The least-powerful experiential imagery is the kind that depicts the passenger experience. These may be images of spacious interiors or lifestyle shots of the product in use. On average, these generate no more emotional response than the informational shots, though they do generate slightly more attention. The average, however, can be misleading, because we do have many examples of passenger experience visuals that



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Figure 4

	Experiential Imagery			Informational Imagery
	Driver POV	Passenger POV	Observer POV	Information
Percent of Images	26%	22%	17%	35%
Attention	105	104	101	95
Emotion	119	94	107	90

Index to Catalog Average = 100

are attention-getting and generate strong emotions. Luxurious leather may say more about the quality of the car while showing room in the cargo space for all the kids' sports equipment makes more of a statement about quality of life. Moreover, passenger experience visuals may be relatively more or less important depending on the particular make or model of car being advertised.

Last ad

The car brochure is the last ad the consumer sees before she buys the car. Therefore, unlike traditional media

advertising, which can be more single-minded in its focus, the brochure has to communicate all the relevant information and promise all the relevant brand experiences that may be important for closing the sale. One at a time, each of the ideas and images in the brochure must systematically remove all the counter-arguments of resistance and barriers to action before a final commitment can be made.

For the decision maker this may be how much fun the car is to drive; for the decision influencer this may be how comfortable the car is to ride in or how practical it is for the needs

of the family; for both, it's important how the car will look parked in front of the family home. To say that the car purchase decision involves high-involvement consumer processing with lots of information to be gathered in the search process is not to say that emotions are not involved – quite the opposite. Buying a car is even more emotional than most consumer decisions. Most of the important information in a car brochure, therefore, is contained in the photographs and not in the engineering specs. Measuring the meaning and emotional content of those visuals is a key to sales success. | Q

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Do emotions make me buy?
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Customer loyalty 2.0

The Net Promoter Score (NPS) is used by many of today's top businesses to monitor and manage customer relationships. Fred Reichheld and his co-developers of the NPS say that a single survey question is the only loyalty metric companies need to grow their company. Despite its widespread adoption by such companies as General Electric, Intuit, T-Mobile, Charles Schwab and Enterprise, the NPS is now at the center of a debate regarding its merits.

I will summarize the NPS methodology, including its developers' claims and opponents' criticisms. Additionally, I will discuss and study the meaning of customer loyalty as it is measured through survey questions. Finally, I will illustrate how the predictability of business performance measures can be improved when the specificity in the loyalty question and business performance measure is the same.

The NPS is calculated from a single loyalty question, "How likely is it that you would recommend this company to your friend or colleague?" Based on their rating of this question using a 0 to 10 likelihood scale where 0 means "not at all likely" and 10 means "extremely likely," customers are segmented into three groups: Detractors (ratings of 0 to 6); Passives (ratings of 7 and 8); and Promoters (ratings of 9 and 10). A company can calculate its Net Promoter Score by simply subtracting the proportion of Detractors from the proportion of Promoters. $NPS = \text{prop(Promoters)} - \text{prop(Detractors)}$

Reichheld and the other developers of the NPS, Satmetrix and Bain & Company, have made very strong claims about the advantage of the NPS over other loyalty metrics. Specifically, they have said:

- The NPS is "the best predictor of growth" (Reichheld, 2003)
- The NPS is "the single most reliable indicator of a company's ability to grow" (Netpromoter.com, 2007)
- "Satisfaction lacks a consistently demonstrable connection to ...

growth" (Reichheld, 2003)

Reichheld supports these claims with research displaying the relationship of NPS to revenue growth. In compelling graphs, Reichheld (2006) illustrates that companies with higher Net Promoter Scores show better revenue growth compared to companies with lower Net Promoter Scores (see left graph in Figure 1). Reichheld sites only one study conducted by Bain & Company showing the relationship between satisfaction and growth to be 0.00¹.



By Bob E. Hayes

The Net Promoter Score debate and the meaning of customer loyalty

Editor's note: Bob E. Hayes is president of Seattle research and consulting firm Business Over Broadway. He can be reached at 206-372-5990 or at bob@businessoverbroadway.com.

He knew how to measure customer service and use the information to make key decisions. He knew how to focus his staff on uncovering needs, promoting benefits, and asking for the sale. He knew where to make changes to improve the “customer experience” in his stores, build loyalty, and increase revenue.

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Researchers, pointing out the NPS claims are only supported by Reichheld and his co-developers, have conducted rigorous scientific research on the NPS, with startling results. For example, Keiningham et al. (2007), using the same technique employed by Reichheld to show the relationship between NPS and growth, used survey results from the American Customer Satisfaction Index (ACSI) to create scatter plots to show the relationship between satisfaction and growth. Looking at the personal computer industry, they found that satisfaction is just as good as the NPS at predicting growth (see Figure 1). Keiningham et al. (2007) found the same pattern of results in other industries (e.g., insurance, airline, ISP). In all cases, satisfaction and NPS were comparable in predicting growth.

Other researchers (Morgan & Rego, 2006) have shown that other conventional loyalty measures (e.g., overall satisfaction, likelihood to repurchase) are comparable to NPS in predicting business performance measures like market share and cash flow.

Contrary to Reichheld, other researchers, in fact, have found that customer satisfaction is consistently correlated with growth (Anderson, et al., 2004; Fornell, et al., 2006; Gruca & Rego, 2005).

Cast a shadow

The recent scientific, peer-reviewed studies cast a shadow on the claims put forth by Reichheld and his cohorts. In fact, there is no published empirical evidence supporting the superiority of the NPS over other conventional loyalty metrics.

Keiningham et al. (2007) aptly point out that there may be research bias by the NPS developers. There seems to be a lack of full disclosure from the Net Promoter camp with regard to their research. The Net Promoter developers, like any research scientists, need to present their analysis to back up their claims and refute the current scientific research that brings their methodological rigor into question. To date, they have not done so. Instead, the Net Promoter camp only points to the simplicity of this single metric which allows companies

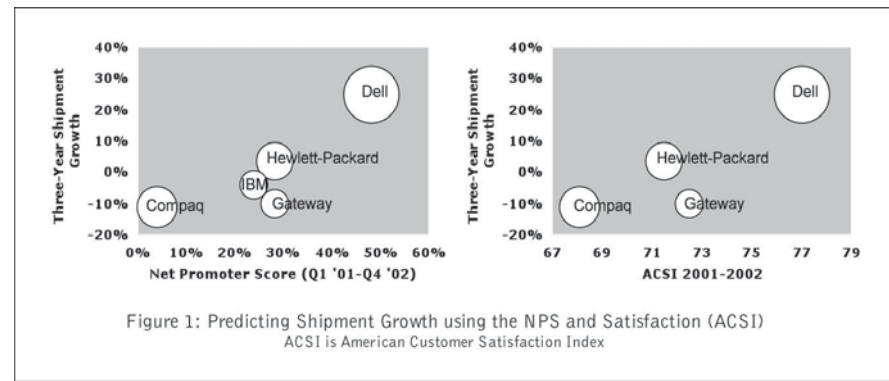


Figure 1: Predicting Shipment Growth using the NPS and Satisfaction (ACSI)
ACSI is American Customer Satisfaction Index

to become more customer-centric. That is not a scientific rebuttal. That is marketing.

Similar pattern

Why do commonly used loyalty questions show a similar pattern of relationship to revenue growth? The measurement process behind the loyalty questions plays a key role in understanding the meaning of customer loyalty. First, let's look at objective measures of loyalty. These metrics have minimal measurement error associated with them. Because these metrics are not subject to interpretation, these objective loyalty metrics have unambiguous meaning. The number of recommendations a customer makes is clearly distinct from the number of repeat purchases that customer makes.

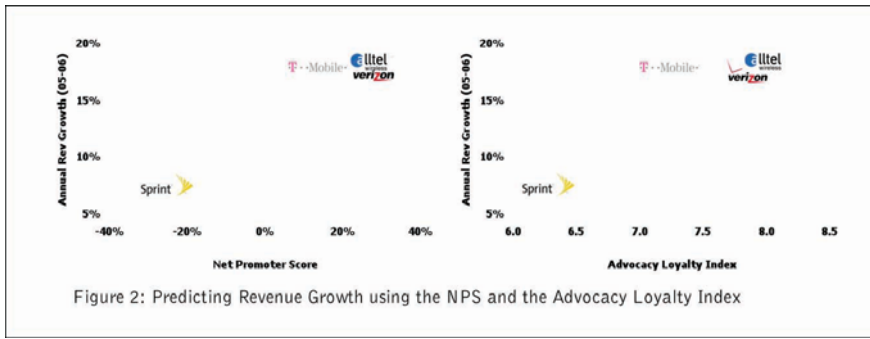
Let us now look at the use of surveys to gauge customer loyalty; customers' ratings of each loyalty question (e.g., likelihood to recommend, satisfaction, likelihood to repurchase) become the metric of customer loyalty. Even though we are able to calculate separate loyalty scores from each loyalty question (e.g., NPS, overall satisfaction, likelihood to repurchase), the distinction among the loyalty questions may not be as clear as we think. Because of the way customers interpret survey questions and the inherent error associated with measuring psychological constructs (yes, measured in surveys, customer loyalty is a psychological construct), ratings need to be critically evaluated to ensure we understand the meaning behind the ratings. Psychological measurement principles and analyses (e.g., correlational analysis, factor analysis, and reliability analysis) are used to help identify the meaning behind the customers' ratings.

I set out to compare four commonly used loyalty questions to study the differences, if any, among the questions. The four loyalty questions were:

1. "Overall, how satisfied are you with Company ABC?"
2. "How likely are you to recommend Company ABC to friends/colleagues?"
3. "How likely are you to continue purchasing the same product and/or service from Company ABC?"
4. "If you were selecting [a company within the industry] for the first time, how likely is it that you would choose Company ABC?"

An 11-point rating scale was used for each question. Question 1 was rated on a scale of 0 (extremely dissatisfied) to 10 (extremely satisfied). The remaining questions were rated on a scale of 0 (not at all likely) to 10 (extremely likely). With the help of Seattle research firm Global Market Insite Inc., which provided online data collection and consumer panels, I surveyed about 1,000 respondents (general consumers in the United States ages 18 and older) who were asked to identify and then rate their wireless service providers on the four questions. I obtained objective business metrics, when available, for each wireless service provider; these were annual revenue (2005 and 2006) and defection rates (Q2 2007).

I applied standard statistical analyses that are commonly used to evaluate questions on survey questions. First, the average correlation among the four loyalty questions was very high ($r = .87$). This finding reveals that each customer responds to the four questions in a consistent



manner. That is, customers who are highly likely to recommend the company are also highly likely to be satisfied with the company; conversely, customers who are not likely to recommend the company are also not likely to be satisfied with the company. The same pattern is seen across all pairings of the loyalty questions. Second, a factor analysis of the four questions showed a clear one-factor solution. Factor loadings, essentially representing the correlation between each question and the underlying factor, were all .90 or higher. This pattern of results clearly shows that all four questions, including the “likelihood to recommend”

question, measure one underlying construct, customer loyalty.

Less reliable

The NPS developers support the use of a single question to understand customer loyalty. Single-item measures are less reliable (contain more measurement error) than multiple-item measures. A good analogy would be measuring math skills with a single-item math test vs. a 50-question math test. An answer to the single-item test would be a less reliable reflection of math skills than the combined answers to the 50-item math test. Would you want your child’s SAT score to be determined

by a single question from the test or the entire set of questions on the test?

Supported by the analyses above, the four loyalty questions can be averaged together to get a more reliable measure of loyalty, what I refer to as the advocacy loyalty index (ALI). The reliability of the ALI (Cronbach’s alpha = .96, high by psychological measurement standards) indicates that there is little measurement error when all four questions are used together. Using the ALI in customer loyalty management is better than using any single question because the ALI aims to provide a more precise measure of loyalty than any of the four questions used alone.

Figure 2 shows that the NPS and the ALI are similarly related to revenue growth². T-Mobile, Alltel and Verizon, all with high ALI or Net Promoter scores, have faster revenue growth compared to Sprint, which has a lower ALI and NPS.

Specific measures

The predictability is improved when the specificity in the predictor and



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Predictors

		Specific (S)	General (G)
Outcomes	Specific (S)	Good Prediction	Poor Prediction
	General (G)	Poor Prediction	Good Prediction

Figure 3: Specificity of Predictors and Outcomes and the Quality of Prediction

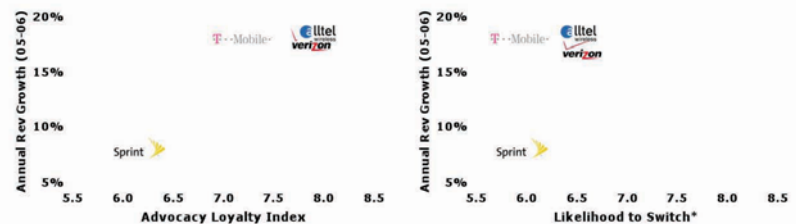


Figure 4: Predicting a General Outcome with General and Specific Predictors

*"How likely are you to switch to a different wireless service provider within the next 12 months?" Ratings on a scale from 0 (not at all likely) to 10 (extremely likely). For analysis purposes, ratings are reverse-coded – higher scores indicate lower likelihood to switch.

outcome are the same (Figure 3). That is, specific outcomes are best predicted by specific measures. As an example, an employee's intention to quit his/her job is a better predictor of whether or not that employee actually quits compared to general measures of employee satisfaction. Conversely, general outcomes are best predicted by general measures.

In the survey, I included another loyalty question, "How likely are you to switch to a different provider in the next 12 months?" When predicting revenue growth, we see that the advocacy loyalty index (general predictor) is better than likelihood to switch (specific predictor) in predicting revenue growth (general outcome) (Figure 4). Revenue growth is impacted by more than just customers' likelihood to switch. Advocacy loyalty, however, predicts growth better because of its general nature.

When we predict a more specific outcome, we see a different pattern of results (Figure 5). Likelihood to switch (specific predictor) is better

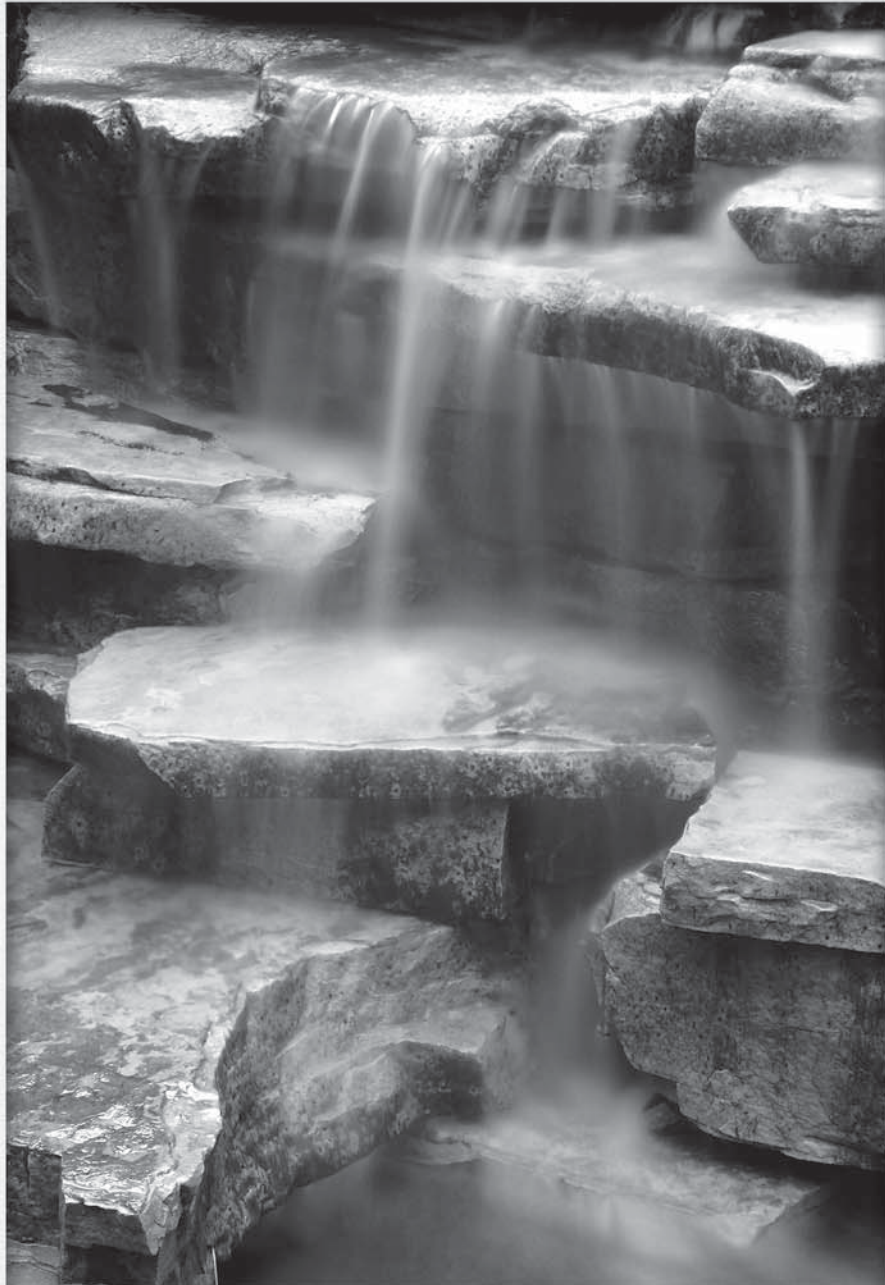
than advocacy loyalty index (general predictor) in predicting defection rate (specific outcome). Likelihood to switch is a better predictor because it is specific and targeted to the outcome of interest.

Advocacy loyalty, however, encompasses aspects that are not related to whether customers stay or leave. Companies need to examine their business metrics closely and then select the appropriate loyalty metrics that best match them. Managing important customer outcomes goes far beyond a single, ultimate question.

Overlook disloyal customers

A company, relying solely on the NPS as the ultimate metric, may overlook disloyal customers defined in other ways. In the wireless service provider study, I found that, of the customers who are non-detractors (those scoring 7 or above), 31 percent are still likely to switch to a different wireless service provider. To manage customer relationships to minimize customer defections,

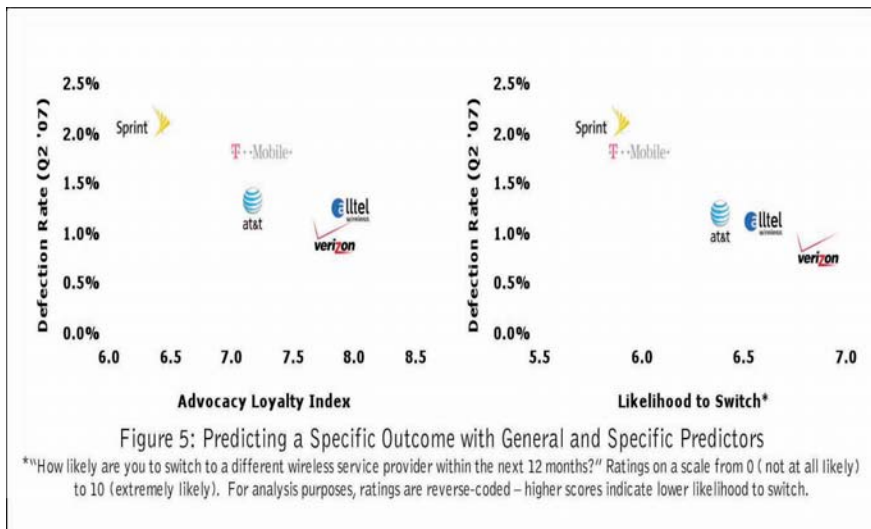
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the NPS falls short.

Relying solely on NPS to manage customers would result in missed opportunities to save a large number of at-risk customers from defecting. This mismanagement of customer relationships in the wireless industry, where defection rate is a key business metric, can be detrimental to revenue growth. Using Q2 2007 data for T-Mobile USA (Figure 6), it is estimated that, of non-detractors, over

900,000 T-Mobile USA customers are still likely to switch to another provider, with a potential annual revenue loss of over \$29 million³!

Not the best predictor

The NPS is not the best predictor of business performance measures. Other conventional loyalty questions are equally good at predicting revenue growth. Reichheld's claims are grossly overstated with regard to the

merits of the Net Promoter Score. They do not address these criticisms about the quality of the research (or lack of) behind their claims.

General loyalty questions, including those measuring likelihood to recommend, measure one general construct, customer loyalty. Consequently, it not surprising that many researchers find similar results across these loyalty questions when predicting revenue growth. Because single survey questions have inherent measurement error, aggregating responses across general loyalty questions (e.g., overall satisfaction, recommend, repurchase, choose again) is a useful way to create reliable loyalty metrics.

Companies should use a variety of loyalty questions to ensure at-risk customers are identified in a variety of ways. How well we are able to predict business performance measures depends on the match between the business metric and the loyalty questions. Specific loyalty questions are useful for predicting specific business outcomes (e.g., defection rate).



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Recommend (NPS)	Percent of T-Mobile Customers	Number of T-Mobile Customers	Percent Highly Likely to Switch to Another Provider*	Number of T-Mobile Customers Highly Likely to Switch*
0	2%	637,795	59%	375,174
1	3%	850,394	52%	445,444
2	1%	212,598	39%	82,677
3	3%	850,394	11%	94,488
4	1%	212,598	8%	17,008
5	11%	2,976,378	4%	127,196
6	5%	1,275,591	4%	57,116
7	18%	4,889,764	4%	175,891
8	19%	5,102,362	5%	259,442
9	17%	4,464,567	7%	325,233
10	20%	5,527,559	3%	167,502
TOTAL	100%	27,000,000	8%	2,266,321

Figure 6: T-Mobile USA Example using NPS Methodology

* How likely are you to switch to a different wireless service provider within the next 12 months? Highly likely reflects ratings of 9 or 10 on a 0 (not at all likely) to 10 (extremely likely) scale.

General loyalty questions are useful for predicting general business outcomes (e.g., revenue). Companies need to do their research to fully understand how different loyalty measures correspond to specific business outcomes. Single, simple metrics are fraught with error and can lead to the mismanagement of customers and, ultimately, loss of revenue. | Q

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Footnotes

¹ <http://resultsbrief.bain.com/videos/0402/main.html>

² When examining each of the four loyalty questions individually, the relationship to revenue growth was the same.

³ Based on 5 percent of 928,068 customers actually defecting, and T-Mobile's ARPU of \$53.

Banking on advocates

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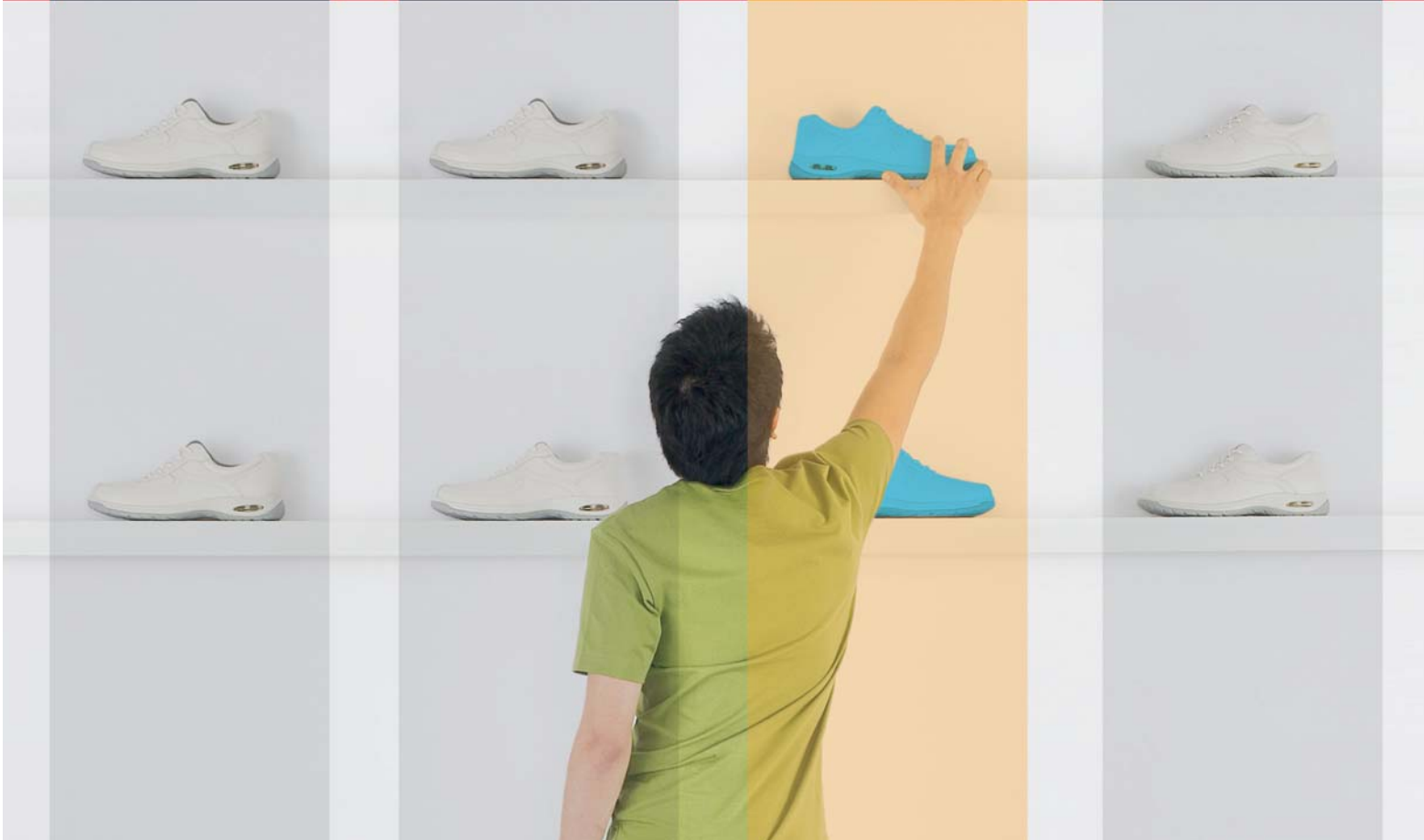
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The impact of an inconsistent and sub-par customer experience leads to customer dissatisfaction, customer attrition, diminished product purchases and ownership and increased expenses per customer, all of which erodes the lifetime value of the brand.

For customer experience marketing research to help win customers, and play an important role in your company, the information must be accurate, actionable, timely, easy to understand and above reproach. Here's how to ensure that your customer experience research project meets all of these criteria.

Popular methods of measuring the customer experience

Mystery shopping measures the experience encountered by the mystery shopper or tester in a retail setting. The approach provides insight into the way products are sold and transactions executed.

Mystery shopping does not rely on the recollection of the customer, it records actual behavior, monitors the information employees provide to customers, collects product literature and documents retail product purchases and transactions.

A mystery shopping program helps the company ensure consistent, sound and superior sales and service practices by measuring behavior at the point of purchase and by providing feedback to employees concerning their performance and adherence to company standards and protocols.

On a strategic and tactical level mystery shopping provides an overall assessment of the company's strengths, weaknesses, opportunities and threats and thereby helps ensure a customer experience which meets client needs and is superior to the competition.

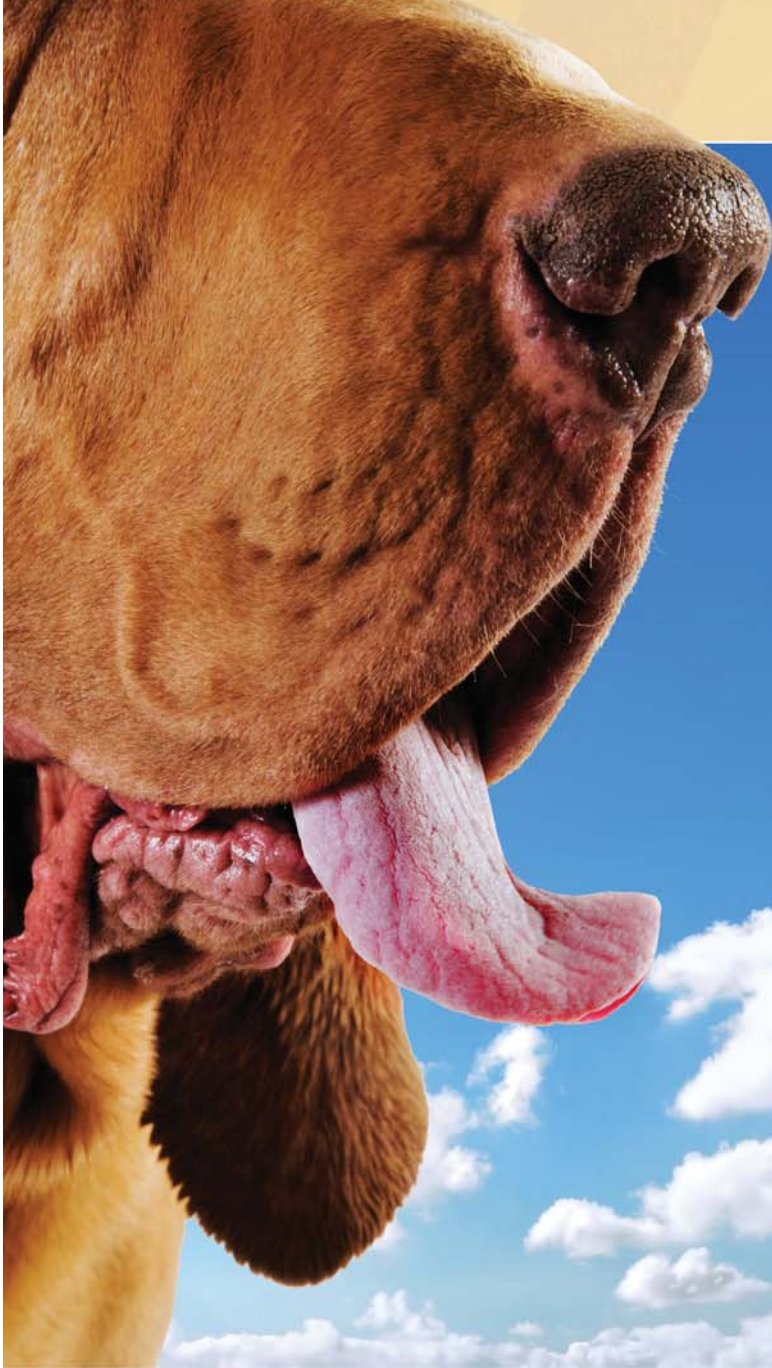
Customer satisfaction surveys measure the degree to which customers are



By Paul Lubin

Use research to keep customers happy and management well-informed

Editor's note: Paul C. Lubin is senior vice president of Informa Research Services, Calabasas, Calif. He can be reached at 914-548-1124 or at plubin@informars.com.



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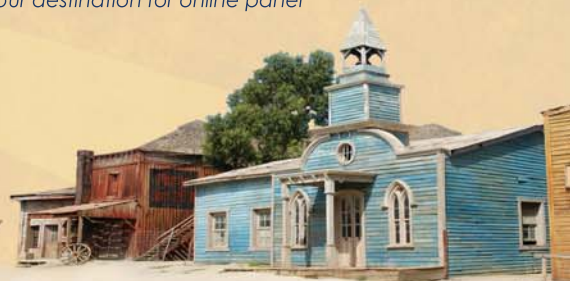
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satisfied, whether needs are met and why and where the company can improve.

Baseline and diagnostic customer satisfaction programs provide an in-depth assessment of client satisfaction as well as customer loyalty and advocacy. The surveys determine customer needs and how customers form their attitudes toward the company. The surveys pinpoint which aspects of service and products impact customer satisfaction and loyalty and whether to recommend the company. Baseline or diagnostic customer satisfaction assessments also compare a company's strengths and weaknesses versus the competition and therefore measure the value offered by the company relative to other companies. Information obtained from these studies is used for strategic and tactical purposes. The research identifies gaps in the company's product and service offering and helps guide decisions where to improve and evaluates the company's progress over time.

Customer transaction-based surveys have gained popularity over the last 10 years. The programs interview customers shortly after a transaction and assess overall satisfaction and satisfaction on a few critical aspects of product and service and provide for follow-up to resolve problems. These programs help a company communicate to employees and customers that it cares about customer service.

The results from mystery shopping, baseline and customer transaction surveys are often considered part of the key performance metrics of the company and are integrated into employee recognition programs in order to motivate and recognize performance.

Customer attrition surveys represent an in-depth review into the reasons for lost business and customer dissatisfaction. The surveys help the company identify a direct link between service- and product-related issues and lost revenues. Customers who closed accounts or substantially reduced business are interviewed shortly after the decision to determine the reasons.

Too broad

Defining and setting the objectives are the first steps in conducting a successful customer experience marketing research project. Many times company personnel develop objectives that are too broad. An example is management launching research to measure customer satisfaction. The objective does not set guidelines for how the information will be used, thus making it difficult to determine the most appropriate data collection method. Will it be used to assess the company's core value positioning or is it a program to help improve at the store or branch level?

Vague objectives can lead the

researcher to select a research methodology that does not meet management's underlying goals. For example, an objective to determine satisfaction with the company's core value positioning is very much different than a program meant to ensure satisfaction at the store level. Each calls for a specific type of interview, sampling frame and method, and number of interviews. Even the manner by which the data is collected and reported needs to be assessed.

The research plan needs to specify how the information will be used and the standard by which the information will be judged. This allows an evaluation of different data collection methods as well as the proper number of interviews, correct respondent definition and questionnaire content. A meeting between the market researcher or market research department and the intended user of the information is usually a big help. During this meeting the parties should define the issues and questions that need to be answered, standards upon which action will be taken and when the information is needed.

Vitally important

Selecting the right method for data collection is vitally important to meeting the research objective. Without a proper method for gathering the data, the findings produced by the research project will be flawed and inappropriate decisions can be derived from the data. The researcher should review the objectives and the information that needs to be collected as well as any critical decision criteria that will be used in determining the most appropriate data collection method.

With *mystery shopping*, unlike an interview with a customer or consumer where the interviewer records information obtained from a respondent, the shopper or interviewer is the respondent since he or she poses as a customer or consumer and records the information provided by the employee. If conducted properly, mystery shopping provides information as to what really happens when the company representative meets or speaks with customers and non-customers. Mystery shopping also provides one of the few ways to mea-

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sure the sales process and determine why prospects reject. Even if there were an accurate prospect list, the survey would be limited due to lack of cooperation and the prospects' ability to remember what happened.

Telephone surveys still offer representative samples and the ability to quantify information such as customer satisfaction, expectations and attitudes and probe into the reason for a consumer's beliefs or actions. The ability to probe and clarify consumer responses during the telephone interview is a key strength. Surveys can be conducted through random-digit dialing of telephone-owning households in a defined area or via customer lists with telephone numbers. Cooperation rates have declined recently in step with consumer concern for privacy and issues related to telemarketing. Using a customer list and providing the company's name at the beginning of the survey and keeping the interview short helps ensure cooperation.

The use of **Web-based surveys** continues to grow. Many panels of consumers exist to conduct Internet-based research. The Internet panels are particularly helpful for surveys targeted at hard-to-reach consumers, e.g., doctors or other busy professionals. They fall short when the company requires information on branch-based service since many companies do not have accurate and sufficient numbers of customer e-mail addresses.

Mail surveys are cost-effective, provide a framework for thoughtful input and provide a sense of comfort for respondents since they know the survey is from the company and that they can provide the information in private. Lower cooperation rates are typical versus other data collection methods. A key point to consider is whether the consumers who respond to the mail survey are likely to have the same opinions and attitudes as those who do not respond. If the answer is yes, then the data gathered from the respondents returning questionnaires should be representative of the population. Another key point to consider is timing. Mail surveys typically take longer owing to the time it takes to mail questionnaires, mail reminders to complete and return questionnaires, and then receive the

completed questionnaires.

Personal or exit surveys are either conducted in a branch or store, when a customer leaves a store, or in a shopping mall setting. The branch-based interviews are particularly helpful for targeting customers of a branch and gathering information about the store experience when it is fresh in a customer's mind. Shopping mall surveys are helpful for intercepting consumers to participate in a survey requiring

some type of visual stimulus. The branch and shopping mall surveys, however, only represent the consumers visiting the branch or mall that day and, hence, the user of the data needs to assume that consumers who visited the branch or shopping mall that day will provide the same information as those that did not.

Focus groups are particularly helpful for understanding customers' views and decision-making and are often a prelude to a quantita-

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tive market research project. The information, however, is qualitative in nature since it is based on a discussion with small groups of consumers. The opinions voiced during the discussion can often be colored by one or two dominant participants and should not be viewed as representing the company's customer base. Therefore decisions should not be based solely on the information produced by focus groups.

Depends on the purpose

The number of interviews completed depends on the purpose of the research and the decisions that will be made using the information. To ensure that the information is actionable, the researcher must complete a certain minimum number of interviews to provide management with a level of confidence for making decisions. Before launching the research, the researcher should set action standards for the research and the information it provides.

Many times the number of interviews conducted is based on cost.

Statistical reliability and setting action standards to make decisions take a backseat to cost and the time the information is needed. This can seriously detract from the credibility of the research. Verifying the number of interviews will meet the action standards and how the data will be used is vitally important.

The number of mystery shops must be sufficient to meet the objective. If the objective is to ensure consistent and superior sales and service performance then a sufficient number of evaluations of the sales and service experience should be completed. An action standard should be established and performance judged based on meeting this action standard. An example would be setting standards or protocols of sales and service, communicating those protocols to employees and then judging company-wide performance relative to those standards. Performance gaps can then be determined and weaknesses addressed at the company level.

The more evaluations the better. While 100 evaluations may be suffi-

cient at the company level it may not be sufficient to evaluate performance at division, district and store levels. Setting quotas or number of evaluations by division, district or store will help with reliability. At the store level, recognition should be carried out with a minimum of 50 evaluations. Coaching and using the results in performance reviews can be conducted with fewer evaluations but the more evaluations the better.

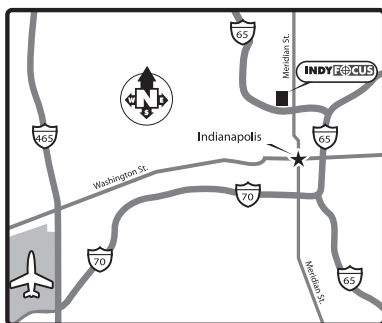
For customer surveys, the number of interviews completed depends on the purpose of the research and the decisions that will be made using the information. To ensure that the information is actionable, the researcher must complete a minimum number of interviews to provide management with a level of confidence for making decisions. Before launching the research, the researcher should set action standards for the research and the information it provides.

One thousand interviews will provide for greater reliability and the ability to review results by subgroup than 100 interviews. For example

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overall customer satisfaction might be viewed as weaker among affluent customers than middle-income customers if there is a difference of 9 percentage points between the two groups assuming 250 interviews each at the 95 percent confidence level.

If the customer experience program is meant to recognize performance at the store level the company should carefully consider the number of interviews completed by store. Interviews should be conducted monthly and recognition provided at no less than 30 interviews per branch with the objective of completing 100 interviews or more per store over the course of the year.

Little relevance

Ensuring the questionnaire is easy to understand and administer and free from bias is vitally important to collecting action-oriented information. Marketing research surveys are often too long and contain questions with little relevance to the research objective.

Key points to remember are to keep the questionnaire short, concise

and easy to understand and administer. It is important to ask the right questions in an order free from bias. The answers customers provide in the beginning of a survey influence the answers they provide later in the survey. The order in which questions are asked can bias the results and provide misleading information.

Asking a customer how satisfied he or she is with the institution at the end of survey may result in a completely different response than asking overall satisfaction at the beginning. The satisfaction measure taken at the end of a survey will be biased, as the customer will have been introduced to a variety of topics which may or may not be important to them. Asking about their level of satisfaction at the beginning of the questionnaire limits bias as the customer will think only of the topics important to him or her when answering the question.

While mystery shop questionnaires are less prone to redundancy or covering the same topic with different questions, they too need to be easy to understand, clear and concise.

A big help is to order the questions in the same order as the sales and service process. This helps the shopper complete the questionnaire accurately and remember the details of the shop. For example, do not ask if the representative introduced himself or asked for the shopper's name at the end of the survey when the representative is most likely to do this at the beginning of the meeting. Unlike a consumer survey, where it's important to obtain overall impressions up front, the more subjective or satisfaction questions are best asked at the end of the questionnaire in a mystery shop exercise. This helps limit bias introduced by what the shopper feels is important. The shopper completes the satisfaction ratings after completing his or her observations and therefore should be judging the representative based on these observations.

Make or break

The reporting and analytical approach can make or break a customer experience research project. The approach for reporting and analyzing the data



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Research Company Spotlight - Customer Satisfaction/Customer Loyalty

Below is a list of firms from our Researcher SourceBook™ specializing in customer satisfaction or customer loyalty

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must meet the objectives of the research. It must describe the key performance metrics and decision criteria and point out patterns in the data important to the key decision makers. In a research program designed to motivate branch service relative to goals, it should quantify customer satisfaction and report on the level of service quickly and in an easy-to-understand format. It should

tell the staff what they do well and the areas where they can improve. Dashboards showing the key performance metrics work well. These might include the company overall score, scores on key performance variables, the branch or store score (for the store manager) and stores ranking in the top 5 percent.

An analytical scheme that works well in mystery shop programs is

quantifying and then reporting performance and the consistency of performance across locations and representatives and comparing the scores against a benchmark or industry standard. The more inconsistent the service the more risk to the brand and revenues associated with customer service. Another approach calls for mapping the company's performance and consistency in the service experi-

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The Marketing Workshop, Inc.
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www.vcrhouston.com

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www.WBAndA.com

WestGroup Research
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www.westgroupresearch.com

Zogby International
315-624-0200 | www.zogby.com

ence and comparing to peers or a normative data set.

Many times, customer experience information will be used for inappropriate purposes. A common misuse is when a company uses a program designed to motivate employee service by measuring satisfaction with recent transactions to determine overall customer satisfaction and loyalty. Customer satisfaction with the

company and its value proposition can be very different than satisfaction with recent transactions. Inappropriate applications of this sort can lead management to question the results and the usefulness of the data collected.

Wins customers

By following the above steps, researchers can help ensure that their customer experience mar-

keting research wins customers and that management views the research as an action-oriented decision-making tool that is vital to the success of the company. | Q

Mystery shopping in action

Enter article ID 20030106 at www.quirks.com/articles to read how McDonald's and REI have used mystery shopping.

From the prospect's viewpoint

For over 10 years, I was head of corporate market research for a large multinational firm, and during that time I was a prospect for many market research firms. Their sales reps would often phone me and open with this line: "I am planning to be in your area next Wednesday, and it would be convenient for me to stop by and see you then. What time is good for you?" There are many things wrong with this opener. 1) The sales rep was putting his/her convenience first and the prospective buyer's convenience second. 2) The sales rep did not bother to find out how the vendor decision process at my company worked. 3) The sales rep did not bother to find out what kind of research I was conducting or might be interested in for the future.

On a good day, I might get a phone call from a sales rep who would spend the time to inquire about my needs. When I had the time, I would respond in great detail. Unfortunately, my hopes for a useful response were dashed when the follow-up I received was a form letter and a four-color brochure positioning the research vendor as a full-service firm and saying absolutely nothing about how their services would meet my specific needs. The brochure went into a file marked "Full-Service Market Research Firms" and wasn't looked at again.

Research vendors often inquired whether I had an RFP coming out soon that they could bid on. That sales method may work for some companies, but for me it was not the right question. My process was to review new firms to learn about their capabilities in advance. When it was time for an RFP, I would have already decided on which firms were qualified to bid on that particular project.

How market research vendors can increase sales to the corporate research buyer

Helped drive decisions

In addition to choosing research vendors for corporate projects, my responsibilities included recommending research vendors to our other divisions and subsidiaries for their own research projects. I created a corporate database of all market research vendors that any researcher had used either in our current jobs or in previous jobs,

along with ratings and comments. The database eventually helped drive decisions. Over time, the research firms that got the most satisfactory ratings were used over and over again, while those that were considered unsatisfactory were never used again.

The lesson for market research vendors is that client satisfaction is your No. 1 selling tool in a corporate environment. First, find out how



By Bonnie Eisenfeld

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From the
creators of
WinCross

the corporation perceives your work. Second, keep up the quality level of your work. Third, cross-sell based on satisfaction. If the corporation does not have a database of vendors, the research vendor can do its own client satisfaction research. If the vendor gets high marks, the sales rep should use that information to pitch other researchers within the same corporation. If the research firm gets low marks, its management needs to do some serious diagnostics and take prompt corrective action.

As a research buyer, my criteria were quality, timeliness and price, in that order. I learned from experience that no one thanked me for getting a project done cheaply if it was poor-quality or late. There is a trend in corporations toward vendor management as a function within purchasing. The object of this function is to get prices lowered, so it is the research buyer's job to maintain the quality through user ratings and avoid asking low-rated firms to bid on projects.

If a research buyer needs a particular type of research and does not know which firms are best in that area, he or she will often contact other research colleagues for recommendations. For example, if I wanted to conduct research in a foreign country, I might contact research colleagues in firms who deal in that country to get recommendations. Client satisfaction is the driver of those recommendations.

Differentiate yourself

Research vendors who specialize in methodology or subject or target populations often have an advantage over full-service vendors. If you are a full-service vendor, you can differentiate yourself by developing some specialties and targeting buyers who are interested in those specialties. Specialization is one way a research vendor can break into a corporation that has not done business with that firm before. From time to time, a new subject or a new methodology will be needed and the research buyer will want to be able to look up firms in that specialty.

A couple of times when I invited a sales rep from a new research firm in for a visit, I expected us to chat about

my needs and their services and how they intersected. Instead, the sales rep showed up with a presentation book and proceeded to go through it systematically. My secretary would later tell me that I looked like I was in pain.

My advice is to take advantage of the opportunity to identify the buyer's needs and not try to tell your whole story in one sitting. You can send thoughtful follow-up information later. A well-written letter discussing how your firm's services matched my needs would be much more effective than an expensive brochure.

Comfort level

Large research firms with well-known names were often requested by top management because the name provides a certain comfort level. Also, a larger firm might be needed for a large project that a smaller boutique can't handle. But research directors know that size and name are no guarantee of satisfaction. In my experience, I got to deal with more qualified researchers at smaller firms.

Relationships with project directors at research firms are also important drivers of satisfaction. The research buyer depends on the project director to ensure quality and timeliness. Changes in personnel alter the relationship and are cause for reevaluation. In some cases, I wanted to follow the project director to his or her new firm because I trusted that person to bring quality to my project.

Entertainment of prospects

In the "good old days" of three-martini lunches and golf, entertainment of prospects was the norm. In the current world of work/life balance and flextime schedules, professionals want to make the most efficient use of their work time and then use their leisure time for themselves and their families.

Vendor-sponsored events that include informational and educational content, such as interesting speakers or demonstrations of new methodologies, are often well-received. New, useful information is a valuable commodity and, combined with lunch, is often an attractor that will get a prospect out of the office. An expert from a research firm has the opportunity to communicate his or her specialized

knowledge and enhance the firm's image with an audience of current and prospective research buyers.

To supplement these educational efforts, a research firm can also provide written educational content on its Web site and in mailings, such as case studies or unique methodology information, along with credentials of principals and staffers, client list and other details about the firm.

E-mails or letters that are strictly promotional are not informative and will usually be deleted or discarded. On the other hand, if you establish a pattern of sending useful communications, your clients and prospects will look forward to reading them. When a research buyer is looking for a new research vendor, your name will already be implanted in his/her brain.

Holiday gifts

Many vendors send holiday gifts to research buyers. I am sure they do not think research buyers make vendor choices based on gifts they receive. The purpose of gifts is to serve as a reminder of the vendor to the buyer, hopefully a daily reminder that sits right on the buyer's desk. The problem is, how many mugs and calendars can one person use? If a vendor is going to send a gift, it should be unique and useful. A thoughtful gift is appreciated and remembered, but gifts are not really influential in making vendor choices.

Many vendors send holiday food gifts, which are lots of fun to receive, up to a saturation point. The most memorable food gift I received was a cheesecake at Thanksgiving. It was delicious and no other gifts came at that time and I could share it with my staff. Did it influence my purchase decision? No.

Understand the client's view

Ideally, researchers who work at vendor firms should have some experience on the client side so they can understand the client's view. Even without that experience, if you are a good researcher, you should be able to ask the right questions. Instead of providing an aerial map of your firm and its services, get in the client's seat and look out of the client's windshield to see the road, the signs, the traffic and the destination the way the client sees them. | Q



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of the study. In particular, satisfaction with loading speed has increased as manufacturer Web sites have employed a variety of techniques, such as better navigation schemes, more aggressive caching, better page load order and pre-loading of content, to offer rich content that loads quickly. For more information visit www.jdpower.com.

Auto gadgets a larger draw than size

Drivers of both sexes are buying smaller, less-expensive and more-fuel-efficient cars, and they have unique preferences for the latest in automotive technology, according to research from Rochester, N.Y., research company Harris Interactive's study AutoTECHCAST. There are significant differences by gender regarding which innovations they will most likely consider during the purchase process.

The study reveals that men gravitate more toward performance, convenience and communication/sound options, while women indicate a stronger preference for comfort items. Both sexes show strong interest in new technology options that provide a heightened degree of personal safety.

"The most intriguing results from our study indicate that men and women have significantly different technology tastes and views of what features are the most appealing," says Stephen A. Lovett, director of client development, Harris Interactive. "The fact is women have a great influence on vehicle purchases and they are more tech savvy than ever. The automakers need to take these views into consideration when designing their next-generation vehicles.

"Despite the trend toward smaller vehicles, drivers still have high expectations when it comes to comfort, safety and performance. Having more technology in the car may be one important way that people can compensate for a reduction in auto size."

Key differences between men and women include: men (41 percent) are more interested in voice-activated controls and features than women (32 percent); advanced fuel cell engine

technology is a greater consideration among men (38 percent) than women (27 percent); adaptive cruise control is a stronger buying consideration among men (41 percent) than women (34 percent); and automated driving technology grabs the imagination of more males (35 percent) than females (27 percent).

Bluetooth connectivity is more appealing to male drivers (48 percent) than female drivers (37 percent); men are more likely to consider digital surround audio technology (44 percent) than women (33 percent); and more females recognize the benefits of pivoting front seats (32 percent) than men (25 percent).

A parking heater system also is more appealing to women (32 percent) than men (26 percent); and the capless fueling system, a relatively newer innovation, also receives higher interest from women (38 percent) compared to men (32 percent).

Anti-trap/anti-pinch power windows appeal more to women (37 percent) than men (31 percent), but a much greater share of males (53 percent) than females (42 percent) value a two-way remote keyless entry system. More women (30 percent) than men (20 percent) are likely to consider a parking assist system in their next vehicle. Conversely, LED lighting is much more popular among men (66 percent) than women (48 percent). Heads-up display technology also is a greater consideration among men (38 percent) than women (27 percent). For more information visit www.harrisinteractive.com.

Novice car shoppers take Influential advice

"Influentials" are U.S. adults who describe themselves as either "very" or "extremely knowledgeable" about vehicles. They are much more likely than ordinary consumers, referred to as "Non-Influentials," to say they know many people who are also knowledgeable about vehicles. And, they are more likely to talk to other knowledgeable people about the vehicles they are considering. With this in mind, Rochester, N.Y., research company Harris Interactive has taken a closer look at Influentials in the automotive market.

Overall, one in five U.S. adults (19 percent) fit into this category. Males (82 percent) dominate the Influentials. The average age of Influentials is 45, which is in line with Non-Influentials. Influentials have higher incomes, with more than half (53 percent) earning \$75,000 or more compared to 40 percent of Non-Influentials.

Close to three in five (57 percent) Influentials know many people who are at least very knowledgeable about vehicles, compared to just 18 percent of Non-Influentials. Influentials talk about vehicles mostly to family (60 percent) and friends (58 percent), while Non-Influentials are less likely to talk about vehicles with family (38 percent) and more likely to talk with friends (65 percent). While Influentials talk to each other about vehicle choices, Non-Influentials actively seek out advice from Influentials. Slightly more than half (55 percent) of Non-Influentials initiate conversations about their vehicle choices with Influentials "always" or "most of the time."

Influentials are more likely to indicate usage of traditional media (television, newspaper, magazines) as sources of vehicle information and are also more likely to use the Internet as a source (63 percent Influentials vs. 36 percent Non-Influentials). However, they are less likely than Non-Influentials to rely on other people (family, friends, acquaintances) and are less than half as likely to use a dealership salesperson as a source of information (17 percent Influentials vs. 38 percent Non-Influentials).

Non-Influentials are equally as likely to get vehicle information from each of their top sources - friends/family members/acquaintances (40 percent), the Internet (36 percent) and a dealership salesperson (38 percent).

On a seven-point scale about likelihood to change vehicle brand choice, 10 percent of Influentials are at the top of the scale indicating they are "much more likely" to change their vehicle brand choice as a result of conversations with Influentials, while only 2 percent of Non-Influentials indicate this. For more information visit www.harrisinteractive.com.

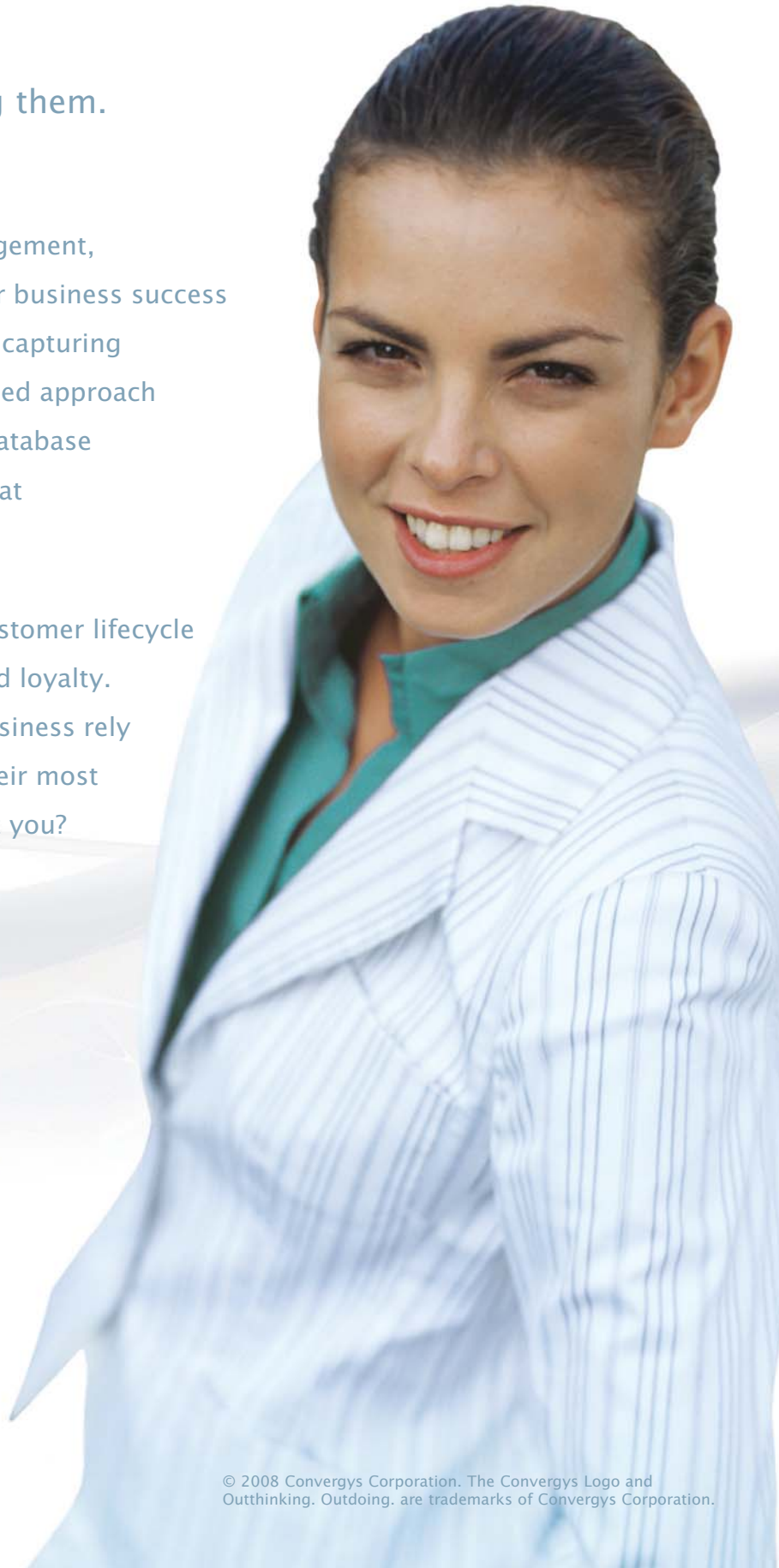
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Many companies not working to earn loyalty

The pursuit of customer loyalty through customer experience is high on the corporate agenda, yet companies still fail to understand the totality of customer expectations and therefore deliver commodity products and services, according to research from Rochelle Park, N.J., research company Strativity Group's Global Benchmark study. The 379 executive participants study examined organizations' complete customer experience cycle from customer experience definition to customer-centric organizational alignment, as well as their mechanism to respond to customer feedback.

Although the study indicates that 80 percent of the executives strongly agree that customer strategies are more important to companies' success than ever before, companies fail to design and deliver those strategies and, as such, lose customer commitment and loyalty.

Study highlights include: only 43.9 percent (up from 40.0 percent in

2006) believed that their companies deserve their customers' loyalty; 42.6 percent responded that their companies products and services are not worth the price they charge (down from 44.0 percent in 2006); 56 percent responded that their companies have differentiated and beneficial products and services (up from 49.5 percent in 2006); 43.7 percent said their companies will take any customer that is willing to pay (up from 38.3 percent in 2006); only 34.8 percent indicated that their company has a dedicated customer experience management role; only 27.2 percent of the respondents said that the definition of the customer experience is well-defined and communicated in their companies; only 28.8 percent responded that employees have the tools and authority to solve customer problems (down from 34.0 percent in 2006); and only 23.9 percent agreed that their employees are well-versed in how to delight customers.

"The Customer Experience Management global benchmark study provides us with a sobering real-

ity. Companies still fail to get what it takes to meet customer needs, let alone delight them," says Lior Arussy, president of Strativity Group. "Especially in this economic environment, companies must get serious about understanding and delivering the complete customer experience." For more information visit www.strativitygroup.com.

SMS responses lead in mobile marketing offers

Twenty-four percent of mobile phone users surveyed online have responded to mobile marketing, according to research from the Direct Marketing Association (DMA), New York. The DMA quantitative mobile marketing research found that 70 percent of consumers who have responded to a mobile marketing offer say they've responded to a marketing text message, compared with 42 percent who've responded to a survey and 30 percent to e-mail offers.

According to DMA's research, 42 percent participated in surveys sent to a mobile phone; 18 percent



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responded to a coupon offer; 70 percent responded to a text message for a product or service; 22 percent responded to a Web offer on a mobile browser; and 30 percent responded to an e-mail offer for a product or service.

Among the other findings: 33 percent of the group that did not respond to any mobile marketing (76 percent) reported that they had never received an offer; lack of interest and cost of airtime was cited as the leading reasons by those who haven't responded to mobile offers; 71 percent of people who respond to mobile offers have data plans; and 21 percent of mobile marketing responders indicated that they respond to three or more offers per month.

Respondents who used AT&T Wireless and T-Mobile were more interested in mobile marketing incentives than respondents who used Verizon Wireless. Teens 15-17 years old (19 percent) and young adults 21-30 years old (19 percent) are twice as likely to respond to offers on their mobile devices as those 18-20 years old (7 percent). Single respondents were the most likely of all groups to respond to mobile marketing appeals. Higher-income respondents making more than \$60,000 per year were more likely to respond to mobile offers.

Buyers of entertainment/music/video products were the most likely to respond to mobile offers. Categories of mobile offers were dominated by entertainment/music/video (44 percent); followed by food/beverage (21 percent); telecommunications/mobile (21 percent); beauty/personal care (15 percent); automotive/transportation, business services, consumer electronics, financial services and vacation/travel (12 percent each); and health care/pharmaceutical and real estate (7 percent each). For more information visit www.the-dma.org.

Most U.S. grocery shoppers are nutrition-label savvy

Nearly two-thirds (65 percent) of U.S. consumers say they notice nutritional information on food packaging more often now compared with two years ago, according to an online survey by New York researcher The

Nielsen Company.

Though two-thirds (67 percent) of U.S. consumers also claim to "mostly" understand the nutritional information on food packaging, less than half (44 percent) of global consumers say they do.

"Given that so many consumers are taking time to read nutrition labels, there is also a marketing opportunity for food manufacturers to provide consumer-friendly information on labels that may entice shoppers to switch brands at the point of purchase," says Deepak Varma, senior vice president, Nielsen customized research.

For some U.S. shoppers, scanning food labels appears to be routine behavior: 25 percent check the nutritional information while trying to lose weight, compared with only 15 percent of global consumers. More than half of U.S. consumers (51 percent) say they always check the fat content on nutrition labels, while nearly half check food labeling for calories (48 percent) and trans fats (43 percent).

"The relationship between consumers and nutritional information and labeling provides unmistakable insight into health and diet concerns. Without question, nutritional labeling can be a powerful marketing tool for savvy food manufacturers. For example, food marketers can make relatively low investments in pack and labeling changes compared with advertising and promotions and drive significant sales," says Varma.

Other key findings include: Though less than a quarter (21 percent) of U.S. consumers always check the nutritional information on food packaging, nearly half (42 percent) check when thinking of buying a product for the first time; 8 percent of U.S. consumers never check the nutritional information, consistent with the global average; 67 percent of U.S. consumers say they understand the distinct difference between saturated fat and unsaturated fat, slightly higher than the global average (60 percent); and globally, almost half (42 percent) of consumers check food labels for preservatives, while only 24 percent of U.S. consumers say they do. For more information visit www.nielsen.com.

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Product and Service Update

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Houston and Philadelphia who live in households with a person age 18–34 in residence can use the personal digital calendar service to help keep track of their schedules. Users can simply visit their password-protected panelist Web page and register any phone number to receive customized alerts for any personal event.

Once a panelist activates the service, they can receive alerts and reminders on as many as five different numbers. The Web site allows a panelist to modify messages for each phone number, time of alert and personalize the content with exact text for every message they enter into the system. Later, when PPM VIP Service calls back at the designated day and time, an automated voice reads the same message the panelist input into the Web site.

Finally, Arbitron has launched a Web site for diary-measured markets. The site (www.arbitron.com/diary) is an information resource for subscribers in diary-measured markets of all sizes. The site is designed to provide visitors with access to online tutorials, on-demand training courses and other information focused on the needs of radio stations in diary-measured markets. The training options are designed to provide instruction on qualitative reporting, understanding research terminology and how-to information on building an effective radio schedule. For more information visit www.arbitron.com.

C&R debuts de-dupe tool

Creative & Response Research Services Inc. (C&R), Chicago, has announced the rollout of its DGID sample quality tool for real-time identification and removal of duplicate respondents from online surveys. DGID uses an approach that fingerprints individual computers when respondents connect to C&R's survey portal and tags them with a digital ID tag, or DGID Tag, allowing them to be recog-

nized and removed from the sample if they attempt to return. DGID is designed to sense and remove duplicates from samples within a single project, across waves of tracking projects or across multiple projects, independent of the sample sources being employed. The C&R initiative is intended to fill the sample management gap created when using multiple sample sources for online surveys.

DGID technology creates a machine fingerprint by exploiting minute variations in every computer's hardware. This cannot be affected by users, by the operating system of their computer, by the software that's installed or by the way they connect to the Internet.

DGID and DGID Tag have also been incorporated in the panel hygiene suite of C&R's Panelator panel administration system, used to manage its KidzEyes, TeensEyes and LatinoEyes panels, as well as for managing client-owned proprietary panels. For more information visit www.crrresearch.com.

TNS offers Insight to in-store marketing; Compete launches PRO online measurement tool

TNS, a Horsham, Pa., research company, has unveiled the TNS Insight Dashboard, a syndicated quarterly metric designed to track many variables over a period of time, enabling marketers to figure out which of their in-store marketing strategies are working hardest.

Insight Dashboard combines information about where shoppers are in a grocery store at any given time, tracking the number of seconds they spend at any display, the amount of time they spend with other products, and then overlaying it with sales information.

Separately, Compete, a Boston research firm recently acquired by TNS, has launched an online measurement service that combines site analytics, search analytics and audience measurement in a single service.

Compete PRO promises marketers a single repository for online metrics; offering access to data

about consumers and tools to put that data into immediate action within their marketing programs. Compete PRO is designed to allow users to see where their Web sites fit in the larger landscape of the Web and on which sites to place ads. It is also designed to assess the impact competitors' site redesigns are having on visitor engagement and which companies are doing the best job with the search keywords that are most important to their clients. For more information visit www.competeinc.com.

InsightExpress product monitors survey invitation process

Stamford, Conn., research company InsightExpress has launched its new Research Experience Monitor solution. The Research Experience Monitor is designed to allow publisher and portal partners to improve their users' experiences by optimizing online research. The Research Experience Monitor is designed to help monitor, control and/or limit the frequency of invitations. InsightExpress advocates the use of a standard, vendor-neutral programming interface that is embedded into the research invitation process. InsightExpress is offering the solution to all clients free of charge. For more information visit www.insightexpress.com.

TrueSample rolls out in Europe, forms council

MarketTools, a San Francisco research company, has initiated the rollout of TrueSample across Europe, starting with the U.K. TrueSample is designed to ensure that each survey respondent is real, unique and engaged and to increase the quality of online market research. TrueSample validation provides six layers of fraud prevention and data cleansing that typically removes up to 25 percent of prospective panelists.

MarketTools' TrueSample draws on methods used in other industries to solve similar problems of authenticity. It works with MarketTools' own ZoomPanel, as well as those sourced from Certified TrueSample

Panel Partners.

Additionally, MarketTools has formed the TrueSample Quality Council, a group of executives from consumer, marketing and research organizations dedicated to improving and standardizing the quality of online sample, including 12 inaugural members. For more information visit www.markettools.com.

Valient launches COST FX cost-reduction tool

Valient Solutions, a Rochester, N.Y., research company, has debuted its Internet-based COST FX market research platform designed for conducting cost-effective consumer and business-to-business market research. Typically, this cost-effective market research solution provides clients a 30-40 percent cost reduction opportunity over their current market research cost levels.

Key features of the Valient Solutions COST FX market research platform include access to over 10 million U.S. and global consumers and over one million business-to-business global contacts available via Valient Solutions' online panel partners; low-cost customized HTML and Java Flash online survey development; multipath and dynamic logic survey path routing; flexible survey branding for identified and blind research studies; video, audio and static image embedding; multilanguage hosting capabilities; real-time data reporting; SPSS and Microsoft Excel compatible data output formats; in-depth analysis and advanced analytics capabilities; and results reporting in Microsoft PowerPoint and Adobe Acrobat formats. For more information visit www.valientsolutions.com.

RelevantID aims to provide fraud detection

RelevantView, a Westport, Conn., research company, has released RelevantID, a marketing research service designed to assure and certify that data collected is high-quality, credible, reliable and free of suspect respondents.

RelevantID is a digital fingerprinting and watermarking technology that gathers public data points about a respondent's computer. The system is designed to provide certification of a user's uniqueness, while remaining in full compliance with codes of conduct issued by the major market research organizations. Data that might personally identify respondents is not collected and data is not repurposed. For more information visit www.relevantid.com.

SPSS offers new stats software

Chicago research software company SPSS Inc. has introduced SPSS Statistics 17.0, the latest version of its troubleshooting software suite. SPSS Statistics 17.0 software is designed to analyze information and present results with tabular and graphical outputs. SPSS Statistics 17.0 has been updated with enhanced features in data access, data preparation, analysis and reporting.

New SPSS Statistics 17.0 software functionality includes improved research and reporting tools with new multiple imputation capabilities and the Syntax Editor, which is designed to eliminate errors commonly associated with syntax-driven analysis. The integration with Microsoft Office is designed to export results and create reports and presentations. The software also includes greater accessibility for beginners; increased functionality for experts; improved visualization capabilities; and enterprise integration, deployment and

management.

Deeper integration with the SPSS Predictive Enterprise Services platform and SPSS Predictive Analytics data mining technology is designed to allow users to streamline analytic processes across the enterprise. Also, SPSS Statistics 17.0 provides extended administration tools to allow organizations to deploy SPSS Statistics in client/server configurations for teams and departments, giving them control over configuration, troubleshooting and measurement. For more information visit www.spss.com/statistics.

Kinesis makes three updates

Austin, Texas, research company Kinesis Survey Technologies' survey software, Kinesis Survey, has added an additional option to its real-time reporting capabilities. The new option is designed to allow clients to build brandable reporting portals (Web sites) that contain preconfigured reports that can be refreshed in real time.

Additionally, Kinesis Survey now supports a second programming mode - offline. Offline programming is designed to enable multiple parties to work on a single project concurrently, allow programmers to work in locations where they do not have or do not desire Internet access and support continuous workflow efforts during catastrophic events, such as lack of Internet access or slow Internet access in the office. Once programmed in offline mode, surveys can be uploaded and tested at a later time. For more information

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Kinesis has also added support to Triple-S XML-based export formats. Kinesis will offer support for both export format versions 1.2 and 2.0. For more information visit www.triple-s.org.

Techneos now serving SODA for mobile research

Techneos Systems Inc., a Vancouver, B.C., research company, has introduced the beta version of its Survey On-Demand Application (SODA) platform for mobile phone surveys. SODA software is built on the wireless Internet infrastructure and is able to operate offline.

In addition to the mobile phone survey engine which runs on each user's mobile device, the SODA platform provides a set of project management tools designed to meet the needs of survey research projects. A Web-based customer portal allows researchers to deploy questionnaires to any number of mobile users and to monitor data as it arrives in real time. Survey data can be pre-populated, and partially-completed surveys can be reassigned to other users, allowing for a broad range of both self-complete and interviewer-based survey methods. For more information visit www.techneos.com.

Briefly

Capture Research LLC, Boston, has introduced Capture OnSite, a wireless video-based technology designed to allow observers to watch streaming video of on-site interviews in real time. The technology provides clients the opportunity to watch on-site research happening in most locations, including in stores, offices, customers' homes and moving vehicles. The technology is equipped to work in over 300 markets in the U.S. as well as in Latin America, Europe and most of Asia. For more information visit www.captureresearch.com.

Wilton, Conn., research company Greenfield Online Inc. has launched new Duplicate Response Detection (DRD) technology to help ensure the continued flow of unique respondents across multiple respondent channels. The DRD technology is designed to prevent respondents from participating

in surveys more than once. It assigns a unique, global ID to all respondents that becomes resident on their PC and stays with the respondent. For more information visit www.greenfieldonline.com.

E-Tabs, a Batavia, Ill., research software company, has launched a plug-in for the SPSS Dimensions suite of analysis products. The E-Tabs plug-in is designed to provide enhanced printing, viewing and reporting links for Desktop Reporter and other products within the SPSS Dimensions suite. E-Tabs has also launched a version of Enterprise, which automates graphs and charts within the Office 2007 suite. For more information visit www.e-tabs.com.

Market Equations, a Bangalore, India, research outsourcing company, has released its online survey software application. Some of the features of the application include: visual customizations through templates; progress visuals on each question; integration of response options; and a customized reporting interface. The survey application will be available free of charge. For more information visit www.marketequations.com.

The Analytical Group Inc. (TAG), a Scottsdale, Ariz., research company, has released its new WinCross Executive tabulation and reporting software, which generates tabulations using point-and-click design and publishes reports directly to Microsoft PowerPoint, Excel and Word. WinCross Executive uses an SPSS format data file and will convert other data types, such as delimited and fixed ASCII files, if necessary. WinCross table and banner specifications can be imported for further data mining and exploration. WinCross Executive includes comprehensive statistics, significance testing, weighting, filtering and data recode capability. For more information visit www.wincross-executive.com

A Des Moines, Iowa, research company, iEmergent, has debuted its new line of demographic mortgage forecast reports that assess lending opportunities and show loan distribution patterns among various home-buyer and loan-type segments including ethnicity,

race and gender. For more information visit www.iemergent.com.

Menlo Park, Calif., research company Knowledge Networks has launched KnowledgePanel Latino, the first online panel that enables researchers and marketers to conduct statistically-balanced Web-based surveys on the full U.S. Latino population. The new panel includes those who identify with Hispanic culture and values, as well as Spanish-speaking-only individuals. For more information visit www.knowledgenetworks.com.

Lightspeed Research, Basking Ridge, N.J., has launched a new personal care and grooming specialty panel in the U.S., Canada, U.K. and Germany, with plans to launch across its other global panels. The panel gives clients access to nearly 100,000 online consumers, profiled on their purchasing behavior of personal care products, toiletries and cosmetics. For more information visit www.lightspeedresearch.com.

Saskatoon, Saskatchewan, research company Itracks has launched a new online panel in Canada. The panel, www.canadataknow.com, is designed to complement the company's online qualitative and quantitative software applications and supply the marketplace with insight into Canadian consumer behaviors. It has been developed internally by Itracks' custom panel team and built to meet the industry guidelines put in place by ESOMAR. For more information visit www.itracks.com.

The NPD Group, a Port Washington, N.Y., research company, has launched its BeautyTrends panel in Spain to measure the prestige beauty market through retail sell-through data. NPD BeautyTrends and Chicago research company IRI's InfoScan have also joined efforts to collect data of the Spanish beauty market - prestige beauty by NPD and the beauty mass market by IRI. For more information visit www.npd.com.

Research Now, London, has launched an online panel in India, the latest to be added to the company's Valued Opinions family of research-only online panels. For more information visit www.researchnow.co.uk.

Research Industry News

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A court has dismissed a wrongful death lawsuit against London-based research company **GfK NOP** brought by the daughter of an interviewer who went missing while conducting door-to-door surveys and was later found dead.

Fifty-four-year-old Summer Shipp of Kansas City, Mo., was last seen in Independence, Mo., in December 2004, at which time she was working for GfK NOP as an independent contractor. Her remains were found near a river in the town in October 2007.

In a petition filed in a Missouri district court last year, Shipp's daughter Brandy claimed that GfK NOP and its subsidiaries had been negligent by failing to take adequate precautions to protect her while she was carrying out interviews.

The court dismissed the claim, saying the firm did not have a duty to protect workers from deliberate criminal acts by third parties.

Acquisitions/transactions

Chicago research company **Synovate** has acquired the African research company **The Steadman Group**.

Paris research company **Ipsos** has acquired Buenos Aires, Argentina, research company **Livra**, which provides panels and data collection services in Latin America.

RJ/RG LLC, a St. Louis research company, has been acquired by brand marketing and events promotion specialist **The Kerry Group**, St. Louis.

Oslo, Norway, research company **Norstat** has acquired the data collection arm of Hermelin Research, based in Finland, to create a new company known as Norstat Finland.

U.K. sports sales and marketing group **Goodform** has acquired **Warwick**, U.K., research company SportsWise.

London research company **Analysys Mason** has acquired **OSS Observer LLC**, a Sugar Grove, Ill., research company. OSS Observer's team of analysts will be integrated into Analysys Mason's existing research division. OSS Observer co-founder Larry Goldman will take the role of head of global telecom software while OSS Observer co-founder Patrick Kelly will take the role of research director in global telecom software.

El Segundo, Calif., research company **iSuppli Corp.** has acquired **Telematics Research Group Inc.** (TRG), Minnetonka, Minn. TRG's operations will be integrated with the existing iSuppli automotive infotainment and electronics services, along with its research on vehicle microelectromechanical systems.

Mediamark Research & Intelligence (MRI), New York, has acquired **Starch Communications**, Nuremberg, Germany. Both companies are owned by Nuremberg, Germany, research company GfK Group. Starch will become a division of MRI.

SDI, a U.K. health care analytics firm, has acquired Plymouth Meeting, Pa., research company **Verispan**.

Cambridge, Mass., research company **Forrester Research Inc.**, has acquired **JupiterResearch LLC**, Darien, Conn., and its parent company, JUPR Holdings Inc., from MCG Capital Corporation for \$23 million in cash plus assumed liabilities, subject to post-closing adjustments.

Nuremberg, Germany, research company **GfK Group** has acquired 100 percent ownership of Ann Arbor, Mich., research company **Arbor Strategy Group** (ASG). ASG will trade under the name of GfK Strategic Innovation. GfK Custom Research North America will see new GfK locations of ASG offices in Ann Arbor,

Mich., and Chicago.

Norwalk, Conn., research company **IMS Health** has acquired Moscow research company **RMBC**.

Alliances/strategic partnerships

Phoenix Marketing International, a Rhinebeck, N.Y., research company, has entered into a joint marketing and services agreement with **IBM Corporation**, Rochester, Minn., under which Phoenix will combine its research and analytic service with IBM Global Services' marketing event and customer equity solutions.

Naperville, Ill., research company **Millward Brown** has entered the Kenyan market via a joint venture with **Scangroup**, a research company in Nairobi, Kenya, which owns 49 percent of the new company, named **Millward Brown East Africa Limited**.

Wilton, Conn., research company **Greenfield Online** has partnered with research technology firm **RelevantView**, Westport, Conn., to incorporate RelevantView's RelevantID digital fingerprinting system into its duplicate response detection tool.

Berlin research company **nugg.ad** and **Nielsen Online**, a division of New York researcher The Nielsen Company, have formed a pan-European partnership to make the market research data from the Nielsen Homescan panel available for online marketing campaigns. The new nugg.ad product will initially be available in Germany and the U.K.

Association/organization news

The Qualitative Research Consultants Association (QRCA), St. Paul, Minn., has formed an ethnography special interest group, which serves QRCA members who conduct ethnographic research on behalf of clients worldwide.

Separately, QRCA has awarded Huajing (Jeanne) Huang, from Beijing, its first-ever Global Outreach Scholarship.

The Marketing Research Association, Glastonbury, Conn., in conjunction with its **Interactive Marketing Research Organization** division and the **Council for Market Opinion Research**, has completed work on an internal review system for panel companies. This evaluation system will analyze elements that impact the online research process to provide a level of assurance as to the work being done by individual companies. It addresses the internal performance as well as a company's ability to address individual panel member issues.

Awards/rankings

Chicago research software company **SPSS Inc.** has been recognized by **Nucleus Research**, Wellesley, Mass., for providing the technological advancements that led to Truckee Meadows Community College winning a 2008 Nucleus Research Technology ROI Award.

Dallas research company **e-Rewards Inc.** has been named one of the 50 Best Small and Medium Companies to Work for in America by the Society of Human Resource Management.

Kevin J. Clancey, chairman of **Copernicus Marketing Consulting**, Waltham, Mass., has been inducted into the Market Research Council's Market Research Hall of Fame.

New accounts/projects

Redlands, Calif., geographic mapping software company **ESRI** and its ArcGIS Server has been selected by **Aqua America Inc.**, a Bryn Mawr, Pa., water and wastewater company, as the basis of its enterprise-wide geographic information system (GIS).

Separately, the **Government of Hong Kong Lands Department** (LandsD) recently

awarded **ESRI** a \$4.9 million contract to replace its computerized land information system (CLIS). CLIS contains up-to-date digital map data and land boundary records accessed by 450 users in LandsD. ESRI will replace the existing CLIS with an enterprise (GIS), allowing users throughout the department to work with one central geodatabase instead of disparate silos of data.

Additionally, **GeoDecisions**, a Harrisburg, Pa., IT company, has signed an enterprise license agreement with **ESRI**.

New York research company **Arbitron Inc.** has signed a contract with the **New York Giants** professional football team for Portable People Meter custom radio ratings services.

Separately, **KidCARE TV**, producers of place-based digital video education programs in doctors' offices, has signed a contract for Arbitron custom services to measure how pediatrician office visitors and employees experience the network. Arbitron will conduct custom surveys of patients and visitors exposed to KidCARE TV about their advertising recall, awareness of the media, acceptance of the content and overall experience.

San Francisco research company **Peanut Labs** has signed a deal with Beverly Hills, Calif., games company **Acclaim** to source potential survey respondents from its community of online multi-player gamers.

Aloft Hotels, a new brand offering from White Plains, N.Y., hotelier Starwood Hotels & Resorts, has selected **LRA Worldwide Inc.**, Horsham, Pa., to design and deploy its brand assurance evaluation program. This selection is an extension of the partnership between LRA and Starwood.

London research company **Ipsos MORI** has been commissioned to carry out the National GP Patient Survey for the next three years, from 2008 to 2011.

Ipsos MORI has carried out the survey since 2006.

Venco Electronica, a Spanish electronics solution provider, has integrated Tampa, Fla., research company **TruMedia**'s iCapture audience measurement solution into its digital signage screens.

Additionally, **True Colours Distribution**, a Hampshire, U.K., digital signage distributor, has signed an exclusive deal with TruMedia.

Nielsen Mobile, a branch of New York researcher The Nielsen Company, and **Mediamark Research & Intelligence (MRI)**, New York, have collaborated to jointly launch Mobile-MRI, an integrated database of consumers' mobile and offline media usage designed to allow mobile media companies and advertisers target audiences with their mobile campaigns.

Saskatoon, Saskatchewan, research firm **Insightrix Research Inc.** has selected the Oslo, Norway, research software company **Confirmit**'s platform to support its survey design, data collection, reporting and panel management activities. The deal, which covers Insightrix's headquarters in Saskatchewan and its subsidiary in Victoria, Australia, will see Confirmit replace the company's custom-built software solution.

New companies/new divisions/relocations/expansions

London researcher **BrainJuicer Group PLC** has established a presence in both Australia and Switzerland. BrainJuicer has agreed to license its products to **Slater Marketing Group**, Melbourne, Australia. The license agreement allows Slater to sell BrainJuicer's services in Australia and New Zealand on a profit share arrangement, which will lead to the acquisition of Slater, dependent on a series of financial targets. BrainJuicer has also opened an office in Switzerland.

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London research company **DunnhumbyUSA** has opened a third office in Chicago. Other U.S. offices are located in Cincinnati and Atlanta.

Matt Dusig and Gregg Lavin, the founders of Encino, Calif., survey sample firm **goZing**, have launched a new company, **United Sample**, to offer online survey solutions.

London research company **b2b research** has opened an office in New York, headed up by Matthew Harrison.

Mexican media company **Televisa Publishing & Digital** has allied with **BIGresearch**, Worthington, Ohio, to expand and create a new unit, Televisa Hispanic Insights.

New York researcher **The Nielsen Company** has extended its agreement with Cincinnati-based **Procter & Gamble** (P&G).

Under the multiyear agreement, Nielsen will provide P&G with marketing information and technology services, including retail tracking, insights on consumer purchase behavior, marketing analytics and Nielsen Answers.

Additionally, **Wolters Kluwer Health**, a Conshohocken, Pa., health care information company, and The Nielsen Company announced the Healthcare Consumer Informatics Alliance. The first platform, HealthScape, combines de-identified patient prescription-related transaction data with consumer purchasing, attitudinal and behavior information to provide deep insights into therapeutic market activity, patient trends, consumer segmentation and targeting opportunities.

Research company earnings/ financial news

National Research Corporation (NRC), Lincoln, Neb., has announced results for the second quarter ended June 30, 2008.

Revenue for both quarters ended June 30, 2008 and 2007 was \$11.9 million. Net income for both quarters ended June 30, 2008 and 2007, was \$1.6 million, or \$0.24 per basic and \$0.23 per diluted share.

Revenue for the first half of 2008 increased 5 percent to \$25.4 million, compared to \$24.2 million for the same period in 2007. Net income for the first six months of 2008 increased 11 percent to \$3.6 million, resulting in \$0.53 per basic and \$0.52 per diluted earnings per share, up 13 percent and 12 percent respectively, over the same period in 2007.

Wilton, Conn., research company **Greenfield Online Inc.** has announced financial results for its second quarter ended June 30, 2008. Total net revenue was \$36.0 million for the second quarter of 2008, compared with \$30.8 million for the same period in the prior year for an increase of \$5.2 million or 16.8 percent, of which approximately \$1.8 million or 5.9

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percent was due to favorable currency effects.

For the Internet survey solutions segments, total third-party net revenue was \$24.6 million for the second quarter of 2008, compared with \$23.3 million for the same period in the prior year for an increase of 5.4 percent.

For the comparison-shopping segment, total third-party net revenue was \$11.4 million for the second quarter of 2008, compared with \$7.5 million for the same period in the prior year for an increase of 52.4 percent.

Total gross profit was \$27.2 million or 75.7 percent of revenues for the second quarter of 2008, as compared with \$22.6 million or 73.2 percent of revenues for the same period in the prior year.

Operating income was \$3.0 million for the second quarter of 2008 or 8.3 percent of revenue, as compared to operating income of \$4.4 million or 14.3 percent of revenues for the same period in the prior year. Net income for the second quarter of 2008 was \$2.1 million as compared with \$3.1 million for the same period in the prior year.

Chicago research software company **SPSS Inc.** has announced results for the quarter and six months ended June 30, 2008. SPSS reported second-quarter revenues of \$75.7 million, an increase of 10 percent from \$68.9 million in the second quarter of 2007. Net income was \$7.8 million, up 9 percent from \$7.2 million in the second quarter last year, with diluted earnings per share of \$0.41, a 14 percent increase from \$0.36 in the 2007 second quarter. License revenues were \$34.8 million, up 8 percent from \$32.4 million in the same quarter last year. Operating income was \$10.9 million, or 14 percent of revenues, compared to \$10.2 million, or 15 percent of revenues, in the 2007 second quarter. Approximately 60 percent of total revenues in the 2008 second quarter came from outside the United States.

Excluding the effects of currency exchange rates, total revenues were up 3 percent over the 2007 second quarter.

Norwalk, Conn., research company **IMS Health** has announced second-quarter 2008 revenue of \$600.7 million, up 12 percent (or 4 percent on a constant-dollar basis), compared with revenue of \$537.5 million for the second quarter of 2007. Operating income in the second quarter of 2008 was \$131.4 million, up 11 percent (or 1 percent constant dollar), compared with \$118.1 million in the year-earlier period.

Reston, Va., research company **comScore Inc.** has announced results for the second quarter ended June 30, 2008. The company's results reflect the acquisition of M:Metrics Inc., which was completed on May 27, 2008, and include M:Metrics' operating results since that date. In addition, results excluding the impact of the M:Metrics acquisition are highlighted on a one-time basis for this reporting period to facilitate comparisons with company guidance issued prior to the acquisition.

ComScore reported revenue of \$28.8 million for the quarter ended June 30, 2008, an increase of 38 percent compared to the second quarter of 2007 and an increase of 9 percent over the first quarter of 2008. This revenue performance exceeded the range of the company's guidance of approximately \$27.1 million to \$27.4 million for second quarter 2008. Excluding the results of M:Metrics, revenue in the second quarter of 2008 was \$27.8 million, an increase of 34 percent over the second quarter of 2007.

Non-recurring items for the second quarter of 2008 include an unrealized loss of \$386,000 associated with the company's investment in certain auction rate securities and all non-recurring costs associated with the M:Metrics

acquisition. The non-recurring M:Metrics costs include salaries, benefits, payroll taxes and bonuses paid to M:Metrics employees who will be terminated after a transition period in 2008 along with related severance costs and temporary third-party survey research costs that will be eliminated by the end of this year.

International revenue was \$4.1 million in the second quarter of 2008, an increase of 75 percent compared to the corresponding prior year period, and accounted for 14 percent of the company's total revenue in the second quarter of 2008, as compared to 11 percent of total revenue in the second quarter of 2007.

Oslo, Norway, research software company **Confirmit** reported revenues increased in the second quarter of 2008 by 80 percent to \$11.0 million. Operating results for the second quarter totaled \$1.2 million, an increase of 154 percent compared to the corresponding quarter of 2007.

Confirmit reported 80 percent revenue growth for the second quarter and 78 percent revenue growth for the first half-year.

United Sample, an Encino, Calif., research company, has announced the closing of its Series A round of venture capital financing, which was led by Sacramento, Calif., venture capital firm DFJ Frontier.

Copenhagen, Denmark, research company **iMotions** has raised \$2 million in bridge funding intended to help iMotions accelerate eye-tracking software (Emotion Tool 2.0) sales before the next round of funding.

Market & Research Corp. (MKRC), Westport, Conn., has submitted a Form 10 to the SEC, requesting re-registration pursuant to the Securities Exchange Act of 1934, as amended. This would enable MKRC to apply to become a bulletin board stock.

Names of Note

continued from page 12

Nashville, Tenn., research company *edo Interactive* has hired **Meaghan Schaefer** as CMO and **Alex Gershman** as vice president, product development.

Evo Research and Consulting, New York, has appointed **Alexis Leino** as research manager and **Maya Fukuda** as senior account executive.

LRA Worldwide Inc., a Horsham, Pa., research company, has hired **Kevin Conley**.

The Bank of American Fork, American Fork, Utah, has promoted **Emily Haleck** to manager, marketing research, strategy and public relations.



Fronstin

Weingarten

Consumer Health Sciences, a Princeton, N.J., research company, has made four promotions: **Michael Fronstin** to COO; **Larry Weingarten** to executive vice president, research services and systems; **Deborah Freedman** to vice president, business development; and **Ariella Dugan** to director, research services. *Consumer Health Sciences* has also hired **Samuel Wagner** as vice president, health economics outcomes research.

Vancouver, B.C., research company *Angus Reid Strategies* has hired **Mike Leahy** to launch a new syndicated research division.

New York research company *TNS Healthcare* has hired **Marty**

Silverman, senior vice president/practice leader, sales force effectiveness; **Michael Smolens**, vice president, brand research; and **Porter Hibbitts**, vice president, client services, brand management.

U.K. research firm *Zussi Research* has named **Owen Gibson** business development manager and **Agata Mizerska** data analyst.

Kate France has joined *Swift Research*, Wetherby, U.K., as human resources manager.



Gibbs

Bryn Mawr, Pa., research company *Integrated Marketing Associates LLC* has hired **Kristine Wakeley** as a field services director and **Gwyn Gibbs** as a senior project director.

In the U.K., New York-based research company *Experian* has named **Nathan Omare** head of customer insight for its interactive division. **Joe Paulsen** has also been named senior vice president and general manager of *Experian's* integrated marketing services business, based in Schaumburg, Ill.

Rick Rolandi has joined Dulles, Va., research company *Vovici* as CFO.

Anne Wagner and **Richard Vogt** have joined New York research company *Ipsos Mendelsohn* as vice president, business development.

Los Angeles research company *OTX* has promoted **Aaron Paquette** to senior vice president, media and entertainment insights.

Sam Robinson is the new chairman of *AgResearch*, New Zealand. **Andrew MacPherson** has also joined the *AgResearch* board.

National Research Corporation, Lincoln, Neb., has named its CEO **Michael D. Hays** to the additional post of president.

Maktoob Research, Dubai, United Arab Emirates, has appointed **Nisreen Akkawi** as regional research manager in Amman, Jordan.

John Napier will join U.K. research company *Aegis* as non-executive chairman.

Naperville, Ill., research company *Millward Brown* has hired **Cathy Swift** as a director in the U.K.

St. Louis research company *dmrkynetec* has named **Kerry Hubbard** vice president, research.

Observant LLC, a Boston research company, has hired **Penny Mesure** and **Lana Limpert** as directors.

Burke, Inc. a Cincinnati research group, has promoted **Rachel Peck** to senior account executive, *Burke* client service.

New York research company *StrategyOne* has promoted **Robert Moran** to executive vice president, corporate and public affairs research.

First Insights, a New York research company, has appointed **Pauline Arae** as marketing consultant.

Stephen Byron has been elected chairman of the *UMass Dartmouth Center for Marketing Research*. **David Slutz** has been elected vice chairman.

United Sample, an Encino, Calif., research company, has hired **Susan Hwang**, **Michael Brezner**, **Jeffrey Unze** and **Reid Behrendt**.

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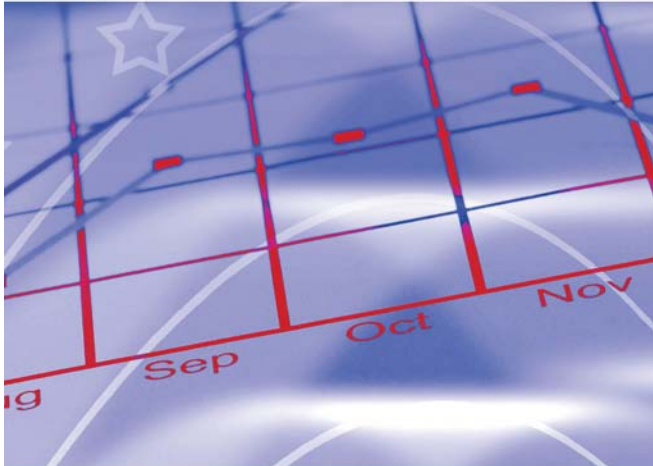
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to the client the attention that the vendor paid to the panel and to the research itself,” Lederer says.

In addition to compiling the metrics, Lederer says it was important to define them as well, so that every vendor follows the same guidelines and doesn’t come up with its own way of analyzing things like response cooperation, for example.

Platform three looks at the various traps that can be used to foil fraudulent respondents, though admittedly the information it contains is the most subject to change, thanks to the ingenuity of respondents who seek to subvert the survey process. “When it comes to traps, and setting them in surveys, the research companies have to be very nimble because the people who are gaming surveys very quickly figure out how you are trying to trap them. As a result, we can’t give very many recommendations [in the platform] that will hold true even six months from now but there are new ways that companies are finding to spot these people and it’s important to look at them,” Lederer says.

Platform four focuses on panel transparency, and suggests information that panel providers should be prepared (and willing) to share with clients. Lederer says vendors felt that clients should never accept the answer “I can’t tell you, it’s proprietary” if they ask their panel or research firm for explanations of panel particulars. As the document states, “In the end, many vendor attendees agreed that every research supplier should be prepared to share ‘everything’ that does not involve proprietary intellectual property or a violation of panelist privacy.”

“Vendors can’t tell you every little detail about what they do methodologically, but they can certainly fill you in on most of the details and give you a tremendous comfort level about issues such as recruiting and churn,” Lederer says.

Platform five comprises a series of actions – such as avoiding overlong surveys and rewarding even those respondents who don’t qualify for a survey – which vendors feel client researchers have a direct impact on and can help result in better research and more satisfied respondents.

Not paying attention

So how did the industry get to the point where data quality has become a problem? Lederer cites several factors that have combined, almost perfect storm-like, to put us where we are today: clients not paying attention over a protracted amount of time; vendors assuming data quality responsibility and never being asked to explain their work; entrepreneurs entering the industry and selling entirely on price to a client base unduly focused on price.

With those issues as a backdrop, and with a general lack of awareness of data-quality problems among client-side researchers, Lederer believes that the suggestions in the platforms will gain traction among research clients as word of their existence spreads. “I believe buy-in is occurring and will occur because of a sad reality: there is no data-quality expertise on the client side. Two years ago, we identified about 12 client-side researchers who were doing research-on-research for their own data, thereby earning our designation of ‘expert.’ Today, because of tightening

economic pressures on research department operations, that number has shrunk to less than six. And I would only truly vouch for one as being proactive.

“Clients very likely recognize this, but the thing they know for certain is that in the last decade they have abrogated their data quality responsibilities and have chosen to become totally dependent on their vendors to do the detailed dirty work for them, with no questions asked,” he says.

Real depth

One of the reasons the April meeting resulted in so much valuable information is that all assembled agreed that the time for more talk was over, Lederer says. “I told the vendors that we were not going to leave the room with pabulum-type answers. There has to be some real depth here. From the beginning, our meetings have been held with the goal of achieving something. Education and awareness-building are wonderful but in the end we had to come out with a plan or a goal or some action orientation. There has already been a lot of talk. We were committed to take it beyond that.”

Lederer is already thinking of the next steps. RFL and conference organizer IIR will hold another data quality event, titled “The Research Industry Summit: Solutions That Deliver Quality,” in Chicago on November 6-7. In addition, now that the no- or low-cost solutions have been compiled, he is considering asking vendors for ideas that do have some costs attached to them. Along with identifying more insights that may lead to better data, such an undertaking may get some client-side researchers to really examine the downsides of an unwavering focus on price.

Citing a recent study from Indianapolis-based G & S Research that found dissatisfaction among client-side researchers in the pharmaceutical business, Lederer says he would like to break some of the client mentality that says lowest cost is the most important factor when conducting marketing research. “The same [researchers] who admit in the survey that cost is their biggest consideration when picking a vendor admit that [that approach] is not working, so they know they’re not getting very good research and they are not really saving very much. Because after they nickel-and-dime the vendor for basic research, if they ask for anything more the price goes up so they’re not getting good value. If they’d stop obsessing on cost, maybe they’d get better research.” | Q

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Data quality for dummies

Much has been said and written about the issue of data quality in our industry. Now, it appears, something can finally be done.

As a product of data quality-focused conferences that the company has staged in conjunction with other organizations over the past few years, RFL Communications Inc. – publisher of *Research Business Report* and its associated newsletters – has released a booklet that compiles five platforms for data quality. (Readers can download the booklet at www.rflonline.com.)

The platforms, which Bob Lederer, founder and president of RFL Communications, affectionately calls data quality for dummies, are intended to be simple, free or nearly-free steps that researchers at client-side firms can take to make sure the data they are getting from their vendors is the best it can be.

In an interview, Lederer is quick to stress that the information in the platforms is not something he or his firm generated. “It’s not as if any of these clients couldn’t have put this together but it would have taken a lot of time and a lot of effort. And they don’t have time because they are busy running their departments,” he says.

Rather, it is the outcome of a meeting held in April 2008 during which over 50 research vendors con-

vened, under the watchful eyes of four client-company researchers, and developed a data quality action plan for client-side researchers. “We gave [the vendors] three criteria before they got to the meeting,” Lederer says. “We wanted them to help us create a checklist of recommended things that clients could do or ask their vendors for that 1) would have an immediate impact, either singly or in aggregate, on data quality; 2) would be easy to implement and 3) would have no or a low cost to implement.”

Lederer says he was surprised and impressed by the enthusiastic response he received when he approached a number of research firms with the idea of arming client-company researchers with a buyer’s guide to data quality.

“Back in 2006 when we started doing work on this topic, the vendors said, ‘Go do it!’ I was afraid they would be upset, that it would appear that we were taking sides. It was just the opposite. They said, ‘We’ve tried to get the attention of the clients that we call on and we just never can, so if you can do it, you will be helping us.’ And I said, ‘How will I be helping you?’ And they said, ‘We will increase our sales and our market shares because by asking about these issues, you get rid of all the bottom-feeders, the companies that sell strictly

on price. Those companies won’t be able to answer these questions.’ ”

Specific examples

Looking at ESOMAR’s original 25 Questions to Help Research Buyers of Online Samples (which were recently expanded to 26 questions) as a jumping-off point, Lederer said the attendees of the April meeting felt that any new guidelines should contain more specific examples and that the advice should be separated into examinations of metric- and non-metric-related issues.

Platform one looks at the non-metric issues, such as the processes and the methodologies that the panel company and the research agency follow. For example, how are panel members recruited, are questionnaires tested prior to full-scale fielding, and what is done about respondent satisficing?

“Metrics that matter,” as Lederer and the group termed them, are the focus of platform two. “The clients wanted to know if there were any kinds of statistical information that would be able to give them an immediate sense of calm that there really was some quality behind this research, that certain things had been done or been quantified that would indicate

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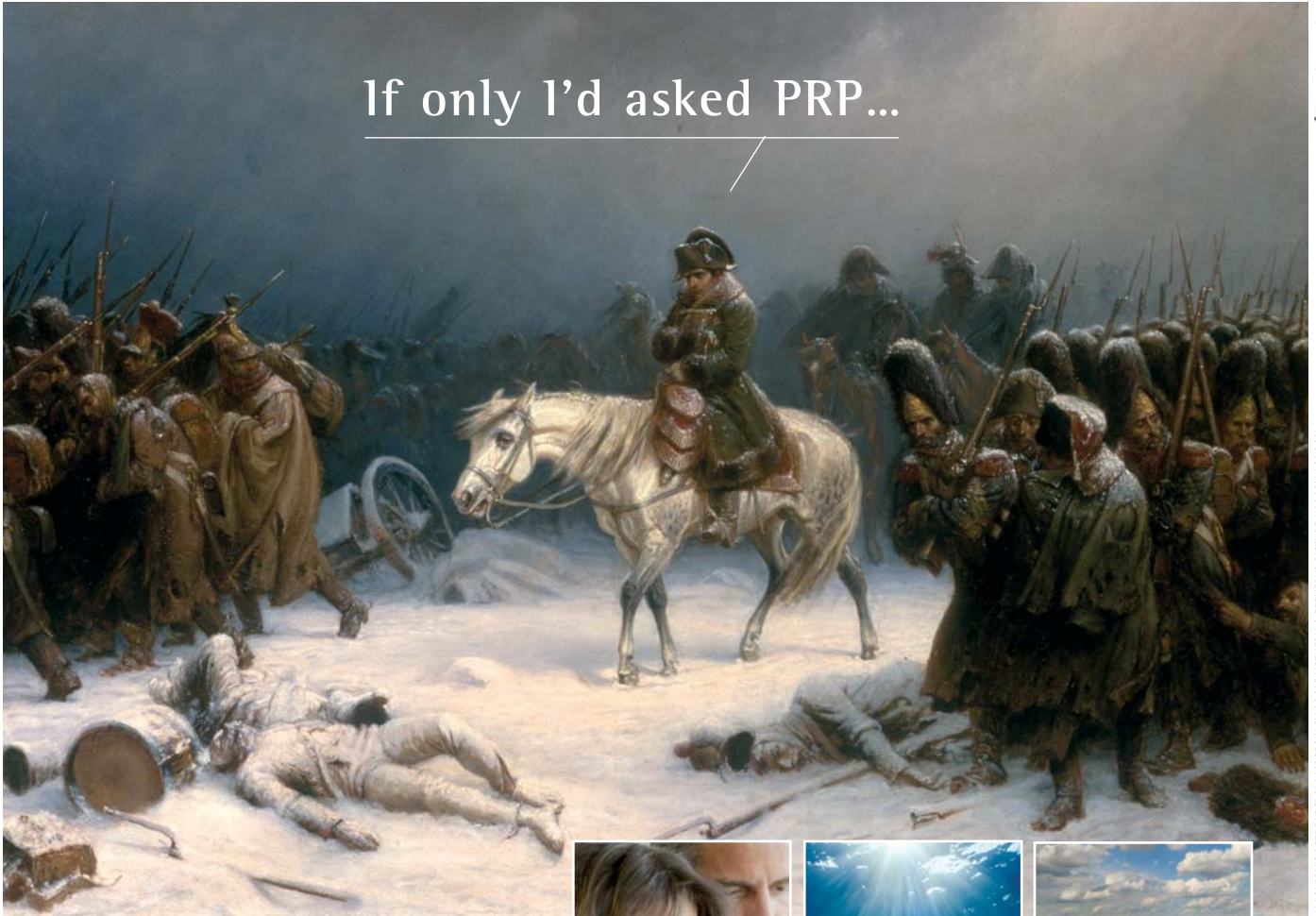
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