# QUIRK'S

Marketing Research Review

MARCH 2010

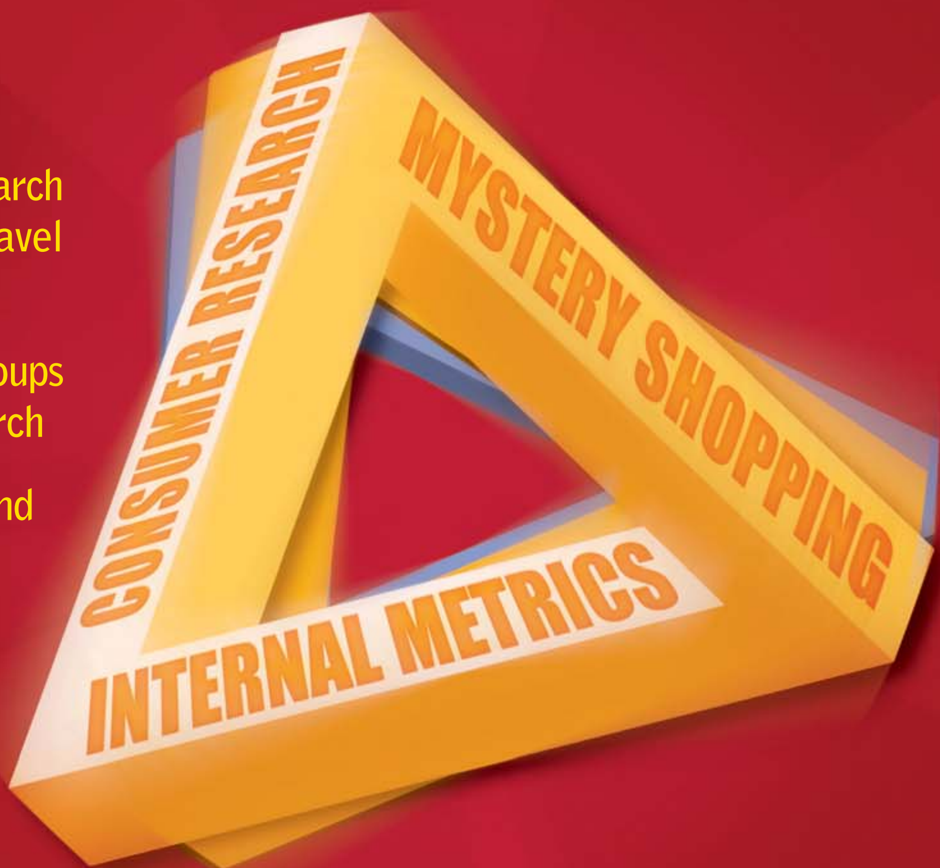
## CiCi's Pizza triangulates its way to new service policies and standards

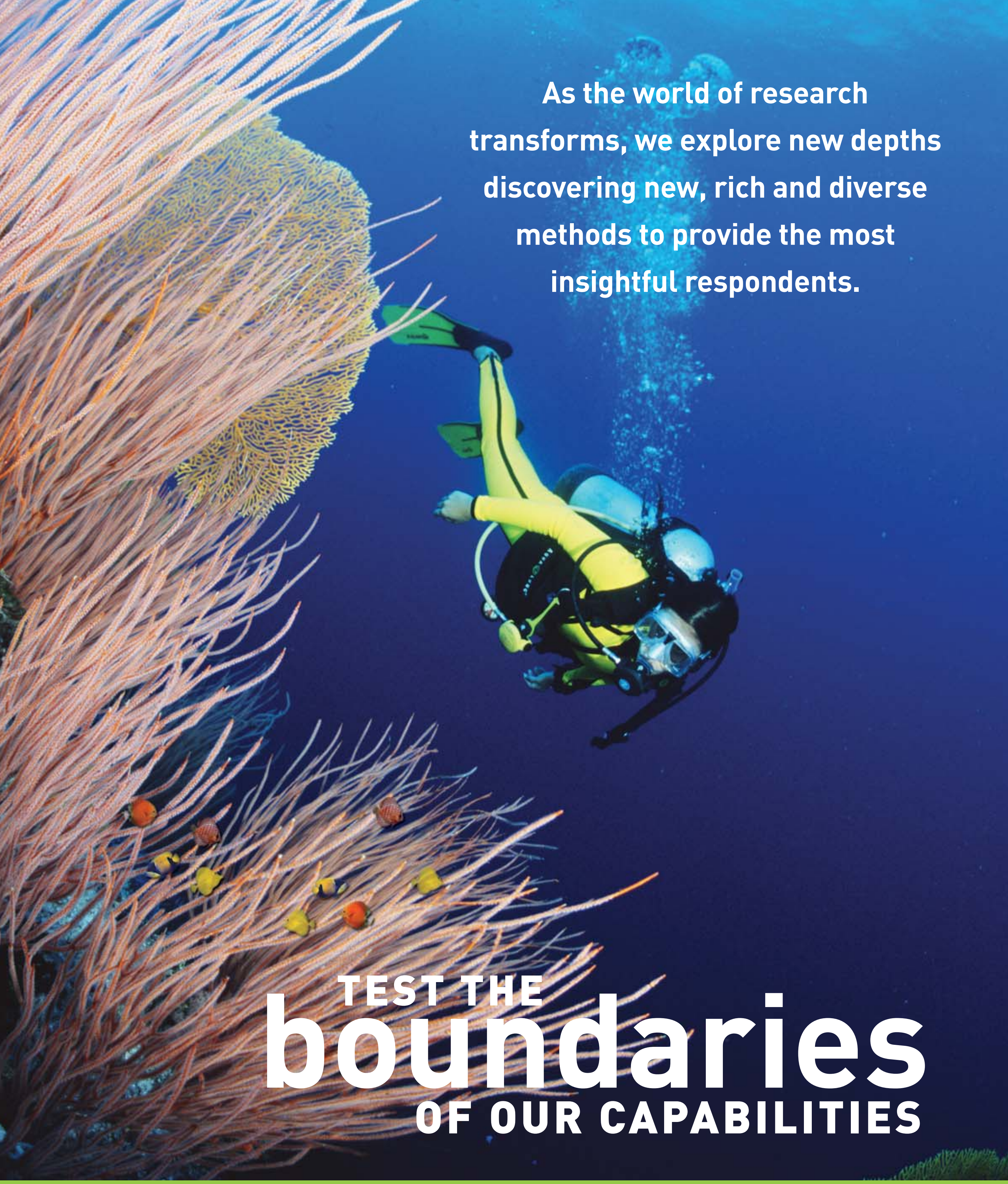
### Also...

> Analysis of online search behavior points to travel industry uptick

> Why online focus groups work for B2B research

> Using LinkedIn to find B2B respondents




As the world of research transforms, we explore new depths discovering new, rich and diverse methods to provide the most insightful respondents.
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OF OUR CAPABILITIES

Quirk's Marketing Research Review
Volume XXIV Number 3

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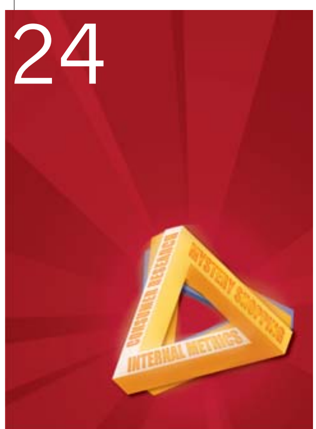


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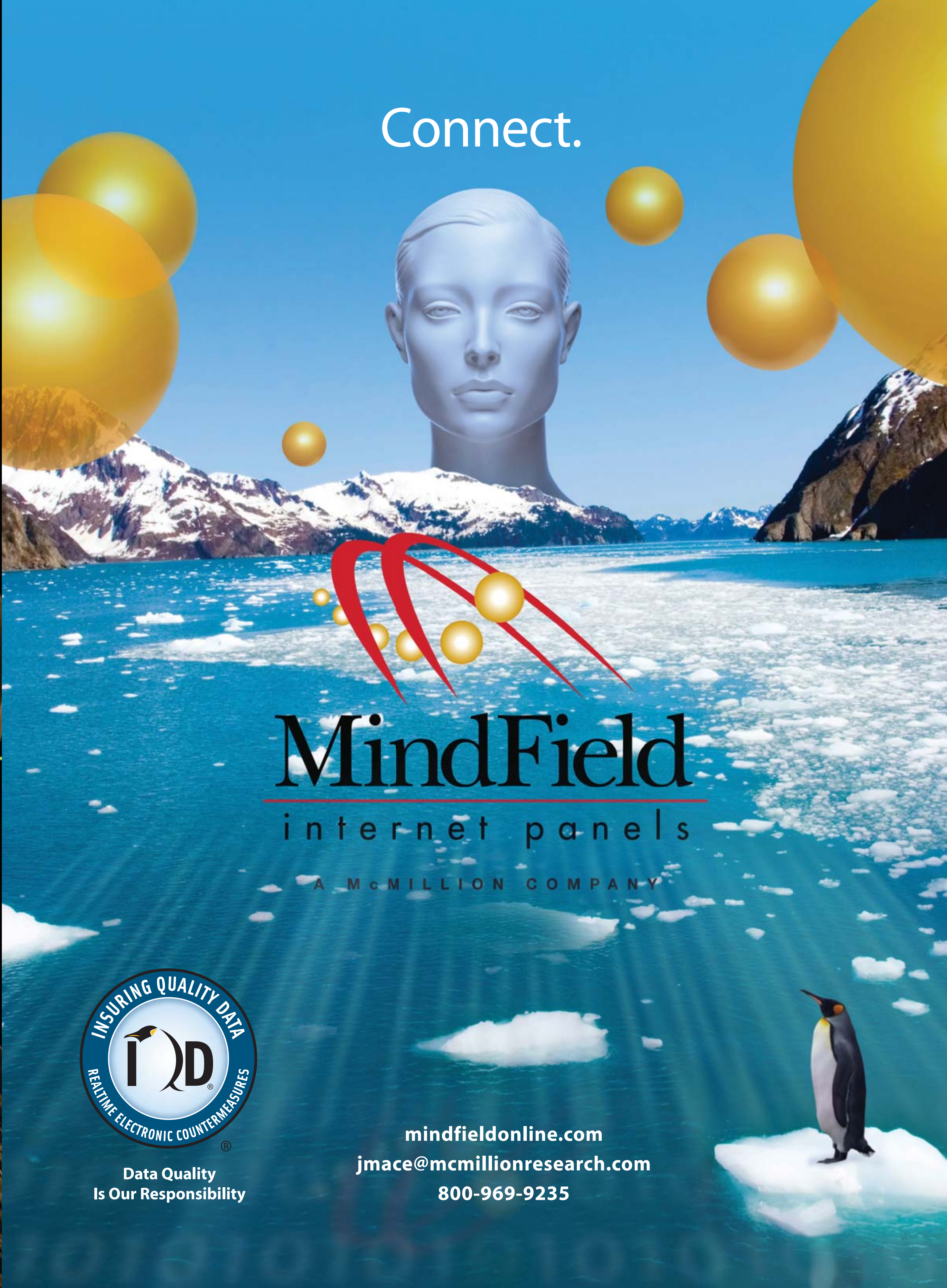
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# in case you missed it...

news and notes on marketing and research

## Scathing research feedback guides Domino's makeover

When its marketing research handed it tomatoes, Domino's not only made new marinara, it also upgraded its cheese and added an herb-butter-brush to its pizza crusts, according to John Gallagher's January 6, 2010, article "About time Domino's pizza is upgraded, some say," in the *Detroit Free Press*.

After research respondents savaged its products, the pizza chain didn't sit on the results and hide the negative feedback. It accepted the criticism as truth and understood that the pizza could no longer compete: Bland and middle-of-the-road is not sufficient to succeed in today's pizza marketplace.

Domino's latest mea culpa ad campaign features clips from focus groups and customer feedback comments in which, for example, one focus group respondent proclaims that Domino's crust is like cardboard; another comment stated it was the worst pizza a customer had ever had; another claimed the pizza is devoid of flavor; and in yet another segment the sauce is likened to ketchup - all unappetizing (and potentially brand-damaging) comments if Domino's had left it at that.

Instead of hiding the fact that its pizza was markedly subpar compared to its adequate scores in service and delivery, Domino's showed America that it is highly in tune with the voice of the customer, aware of its shortcomings and willing to go to great lengths - and spend millions of dollars - to correct them.

If the company's new-and-improved pizza can match the success of the company's candid campaign, Domino's may be back in the flavor game.

## Alice.com streamlines shopping, offers insight into online CPG buyers

Alice.com has launched an e-commerce platform designed to enable consumer packaged goods (CPG) manufacturers to create customized, branded storefronts at their own Web properties that will share the Alice.com checkout and fulfillment process.

The site is designed to organize household essential products, offer coupons and deals, send reminders when items might be running low and help users order the items needed to avoid a trip to the corner drugstore or the big-box store - with no shipping charges. The platform essentially allows consumers to purchase from multiple CPG manufacturers in a single online shopping trip and receive one box of goods direct to their door and aims to drive incremental revenue and deliver a "learning lab" of consumer data and insights.

The Internet has changed the way we shop for things like books, clothing, shoes and electronics, but when it comes to home essentials, most still opt to shop in-store. Perhaps it's the nature of these CPG items that makes shopping around and purchasing online difficult: When you need toilet paper, you need toilet paper. And you probably don't want to pay $1 shipping on a $3 tube of toothpaste. These obstacles have made commanding the online retail market a challenge for CPG manufacturers, and, in turn, consumer data on those purchasing these products has lagged behind.

By selecting the Alice solution, manufacturers will have access to a suite of interactive marketing opportunities and a set of consumer data intended to allow them to better understand their customer, develop new products and build their brand. "CPG manufacturers need to get closer to their customer and collaborate with their retail channels more than ever before," said Mark McGuire, co-founder and president of Alice.com. "The Alice.com solution unlocks a host of consumer insights and transactional data the manufacturer can share with their retail partners to drive more sales."

Alice.com is making its e-commerce solution available to the 100+ CPG manufacturers that have joined the Alice.com platform. A number of manufacturers have begun using the solution to power their virtual storefronts.

## Mood and food: You are what you tweet?

Everyone knows: You are what you eat, but what does what you eat and tweet say about your mood? Relevation Research, Barrington, Ill., analyzed the connection between individuals' food choices and moods mentioned on Twitter. The firm's analysis studied the presence of approximately 40 different emotional states and 20 comfort or popular foods in tweets across two 30-day periods (spring and fall 2009). Emotions and food/drink mentions were then correlated.

"It's commonly believed that consumers use food to satisfy many needs and cravings beyond simply hunger or thirst. There are definitely strong correlations between moods tweeted and foods being discussed by the Twitter population, as well as a number of weaker correlations," said Nan Martin, president and founder of Relevation Research. "Some of them are quite surprising and others can be defined as downright contradictory."

When chocolate is a hot topic, there is a lot of happy talk going on. This was the strongest correlation uncovered in the research. Surprisingly, ice cream correlates negatively with expressions of feeling lonely, sad or guilty - despite the widely-accepted image of someone alone (usually female) eating a pint of ice cream after a breakup. Instead, soup seems to fit more the ice cream myth, correlating with lonely and alone.

Beer equals crazy, wild, funny or fun times, but also alone and lonely. Beer and stress don't mix. Pizza is aligned with the identical moods as beer. Coffee is the antithesis of pizza and beer and a bit polarizing, correlating strongly with stress but weakly with feelings of contentment. Similar to coffee, taco tweets correlate with stress but also with calm.

Burgers go hand in hand with fun, but there is also a dark side to them because they correlate with furious and alone as well. Pass the chips if one is miffed because the two link strongly. When love is in the Twitter air, so is sushi. Counter to love, bacon patterns parallel indications of being scared and afraid. BBQ peaks with fun but drops when expressions of excitement or stress are on the rise. When the mood is mad, sandwich chatter is depressed.

## Mobile phones: the epicenter of all things business and personal?

As technology advances, most can agree that a mobile phone is so much more than a phone. It's an MP3 player, a GPS, an alarm clock, a heavily-relied-on relationship tool (used for both good and evil), and that's only scratching the surface.

Across the world the mobile phone is fast becoming a necessity, with 75 percent of people globally (and 82 percent of Americans) indicating that they never leave home without their phones. Thirty-six percent of people (including 42 percent of Americans) take it a step further, stating that they cannot live without their cell phones, according to a study conducted by Chicago research company Synovate. The project surveyed over 8,000 cell phone owners across 11 markets to learn more about how people are using (and, in some cases, hiding behind) these devices; which features they use (and don't); and how they feel about them.


For some, one phone just isn't enough. Overall, 23 percent of respondents own more than two mobile phones, and Americans are among the most likely to own at least two (33 percent), along with the French (34 percent). Brits and Americans were the most likely to own a smartphone, at 21 percent and 20 percent, respectively. And smartphone users are getting smarter about making good use of their gadgets. Only around a third of U.S. respondents agreed they did not know how to use most of the features on their phones.

So what are people actually using them for? Putting aside calling and texting functions, the three features most used on a regular basis are alarm clock (67 percent globally use this regularly, 56 percent of Americans); camera (62 percent globally, 68 percent of Americans); and games (33 percent globally, 31 percent of Americans).

The U.S. and the U.K. lead the way in mobile functions that require 3G access. Overall, 17 percent of respondents use e-mail on their mobile on a regular basis, led by 26 percent in the U.S. and 25 percent in the U.K. Similarly, 17 percent use Internet browsing, topped by the U.K. at 31 percent and the U.S. at 26 percent. But it's hardly all work and no play. Eleven percent say they social-network regularly via mobile, again led by the U.K. (17 percent) and the U.S. (15 percent).

The survey also showed how text messaging is used for fun. One third of all respondents globally had flirted with their partners by text (including 36 percent of Americans), and a naughty 15 percent have flirted with someone other than their partners, led by the Brits (26 percent) and Russians (24 percent), while 16 percent of Americans say they have done this. Twenty percent have set up a first date via text, including 9 percent of Americans. This statistic might indicate that hiding behind a phone allows different cultures to be bolder, or more timid, than they may have otherwise been, and that goes for the good and the bad.

Thirty-one percent of respondents have lied about their whereabouts via text and 12 percent have broken up with someone. Overall, 8 percent of respondents have been dumped via text, led by 20 percent of Malaysians. Thirty-five percent agreed that they have hidden behind text to say no or send a difficult message, led by 49 percent of Filipinos. Least likely to hide behind text are Canadians (79 percent say they haven't done this) and Americans (71 percent). Thirty-one percent agreed they have lied about why they were running late or where they are, led by 57 percent of Filipinos. Least likely to lie via text (or so they say) are the Dutch (84 percent say they haven't) and the Americans (79 percent). For more information visit www.synovate.com/insights.

## Hand-holding and education can increase home claimant satisfaction

Satisfaction among home insurance customers who file a property claim is significantly lower than that of auto claimants, according to Westlake Village, Calif., research company J.D. Power and Associates' 2009 Home Claims Satisfaction Study.

Customer satisfaction with the home claims experience averages 828 on a 1,000-point scale. In comparison, satisfaction with the auto claims experience averages 842. The difference in satisfaction may be due to lack of education regarding homeowners' policies, or it may be that home claims are less common but weightier in terms of dollars and life-impact. If insurers want continued business and referrals, there are several opportunities to improve satisfaction throughout the claims process.

"Home claims are typically far more complex than auto claims, and homeowners' insurance claimants tend to have less knowledge of the specifics of their policy coverage than do auto claimants," says Jeremy Bowler, senior

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# Chart The Future


## Thinking the future.

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# names of note

**Nigel Jackson**, group head of Chicago research company *Synovate* in the U.K., died at age 43 in an accident while skiing in the French Alps on December 25, 2009.

**William T. Kerr** has been named president and CEO of Columbia, Md., research company *Arbitron Inc.*, following the resignation of **Michael P. Skarzynski.**

*Quick Test/Heakin*, a Jupiter, Fla., research company, has hired **Evelyn Frederikson** and **Barbara Bromen** as managers. **Kacia Munshaw**, **Beth Strigle** and **Scott Gonzalez** have been promoted to facility manager.

**Judi Hess** has been elected secretary of the global board of the *Mystery Shopping Providers Association*, Dallas.

**David Zamarin** has been appointed senior vice president and CMO of *Tropicana Entertainment LLC*, Las Vegas. Research will be among his responsibilities.

Vancouver, B.C., research company *Vision Critical* has hired **Andrew Iain Reid** as managing director, corporate development.

**Cassidy Walker** has joined *CORE Insights*, a Boulder, Colo., research company, as a marketing research intern.

Rochester, N.Y., research company *Valient Solutions* has named **Andrew Smith** and **Michael Kuppe** vice president, client services. Kuppe will be based in the firm's Troy, Mich., office.

*G & S Research*, Indianapolis, has promoted **Erin Horner** to senior director, client service; and **Chad Moore** and **Ashley Miller** to senior analyst.

**Leo Gibney** has been named director of *Evolution Marketing Research,* Blue Bell, Pa.

*SurveyHealthCare*, a New York research company, has named **Robin Nowatkowski** vice president, project services.

*The Research Partnership*, London, has appointed **Harriet S. Kozak** as president, U.S. Kozak will be based in Philadelphia.

Cincinnati research company *Burke, Inc.* has named **Jeff Miller** president and CEO following the retirement of **Michael Baumgardner**, effective October 1, 2010. Additionally, Burke has promoted **Charles Eden** to senior vice president.

*Versta Research,* Evanston, Ill., has hired **Susan Dollman** as vice president.

**Ken Brewster** has joined London research company *E-Tabs* as director. Brewster will be based in Chicago.

*Cherney Microbiological Services*, a Green Bay, Wis., laboratory testing company, has named **Amanda Matczynski** marketing research analyst.

*Schlesinger Associates*, an Edison, N.J., research company, has appointed **Julian Groeger** as vice president, online communities.

**Jeni Lee Chapman** has been named executive vice president, global brand and communication consulting, of Rochester, N.Y., research company *Harris Interactive*.

*AlphaDetail*, a San Mateo, Calif., research company, has named **Rishi Varma** president and CEO.

Framingham, Mass., research company *Kadence International* has hired **Dawn Herdman** as qualitative director in its Jakarta, Indonesia, office.

*Information Resources Inc.*, a Chicago research company, has appointed **Eva Vila Massanas** as managing director in Spain; **Bob Hilarides** as executive vice president and general manager; **Mike Duffy** as vice president, client engagements; and **Srinivas Kowta** as vice president, analytic modeling.

*Innerscope Research Inc.*, Boston, has named **John Dimling** to its board of directors and **Stephen Morris** to its board of advisors.

*BuzzLogic*, a San Francisco research company, has hired **Peter O'Sullivan** as vice president, sales.

**Dan Foreman** has been hired to lead international business development for *ActiveGroup*, a Norcross, Ga., research software company. Foreman will be based in London.

**Stuart Greif** has been named vice president and general manager, global travel and hospitality, of Westlake Village, Calif., research company *J.D. Power and Associates*. The company has also named **John Humphrey** head of global automotive operations.

Reston, Va., research company *comScore Inc.* has hired **Eric Bosco** as chief product officer.

*R/GA*, a New York research company, has named **William Charnock** chief strategy officer.

Chicago research company *Mintel* has appointed **Pete Giannakopoulos** as president, Mintel CPG Americas.

Chicago research company *Synovate* has hired **Sareem Chen** as associate director, qualitative. Chen will be based in Beijing. Additionally, Synovate has named **Steve Lowery** group head, custom health care, U.K.

**Kirk Dando** and **Eric Schrier** have joined the advisory board of *Bazaarvoice,* an Austin, Texas, research company.

New York revenue planning and management company *Solbright* has appointed **John Nives** senior vice president, worldwide sales and marketing. Research will be among his responsibilities.

New York research company *Advanced Focus* has named **Sara Solomon-White** facility director.

## Invoke releases Engage Analytics III

Invoke Solutions, a Waltham, Mass., research company, has released Engage Analytics III, the latest version of the company's Web-based reporting and analytics tool. Engage Analytics III features real-time statistical significance testing of questions that can be run by any user with multiple confidence levels across any user-defined filters and banners. No scripting knowledge or operation of a complex user interface is required. Results are immediately available in charts and tables in the dashboard, Excel and PowerPoint.

Engage Analytics III also features the ability to edit and clean up labels, questions, answers and filters for future reports or online viewing. The tool is also designed to make it easy to create nested segments and arrange them in groups to run statistical tests, and the personal portal aims to allow secure access to all of past project findings. For more information visit www.invoke.com.

## Chadwick Martin Bailey organizes Global Certified Network

Boston research company Chadwick Martin Bailey (CMB) has formed a Global Certified Network of international data collection companies, including a select group of certified partners working with CMB to execute qualitative and quantitative research worldwide.

To qualify for CMB's Global Certified Network, a partner must agree to several requirements, including industry standards, security requirements, data quality assurance and project management guidelines.

**Industry standards:** All certified partners are required to comply with the ESOMAR International Code on Market and Social Research, in addition to national, regional and local laws. They also must sign CMB's confidentiality agreement.

**Security requirements:** All partners are required take active measures with regards to respondent privacy. This is especially true when using client-provided sample lists. The partner must be CAN-SPAM-compliant and destroy all sample records at the end of a project - or at any time per CMB's request.

**Data quality assurance:** Partners must demonstrate that procedures are in place to guard against "bad" data, and if any issues with data collection arise, partners are required to inform CMB immediately and offer proactive solutions. Partners must inform CMB up front when they are using additional partners for data collection and they must provide names of those additional partners if issues come up.

**Project management guidelines:** Partners are required to provide a minimum of two points of contact and to respond to queries and requests from the CMB project staff as quickly as possible. Partners must also agree to participate in frequent meetings to give status updates. For more information visit www.cmbinfo.com.

## ComScore partners to improve mobile application measurement; create tracking panel

Reston, Va., research company comScore and San Francisco mobile analytics company Flurry Inc. have partnered to enhance mobile application audience measurement. The joint offering combines comScore mobile panel data with Flurry Analytics' mobile application usage data to deliver insight into the consumption habits of application users on iPhone, Android and Blackberry devices. Flurry adds real-time consumption data, including frequency of use, length of use, user geographic location, new vs. repeat usage and Wi-Fi vs. carrier network usage, to comScore's existing audience measurement platform. The service will be available through comScore and its authorized resellers as part of comScore's Mobile Media solutions. For more information visit www.flurry.com.

Additionally, comScore and Chicago research company Information Resources Inc. (IRI) have partnered to create an Internet tracking panel and other supporting solutions designed to deliver Internet media-buying and -planning tools for publishers, agencies and advertisers in the consumer packaged goods industry. The tracking panel will combine comScore's proprietary Internet tracking capabilities with the IRI Consumer Network. For more information visit www.comscore.com.

## Geoscape platform reaches mainstream European markets

Geoscape, a Miami profiling and intelligence company, has launched Geoscape Intelligence System (GIS) Europe, an online platform designed to provide detailed portraits and data that reveal the locations of target consumers, retailers and distribution partners in mainstream European markets. GIS Europe includes geo-demographic, retail and consumer data for 40+ European countries; target location and group profiles; market potential measurement from country down to neighborhood level; color-coded maps displaying roads, land mass, terrain and satellite views; a database for detailed reports; ROI analytics using potential data and sales results; and access via standard Internet browser. For more information visit www.geoscape.com.

## BrandScore aims to help in the online video realm

Baltimore-based online video network TidalTV has launched BrandScore, a real-time brand impact measurement, optimization and reporting tool for online video advertisers. With BrandScore, TidalTV aims to address some of the challenges facing brand marketers within the online video space, including the high costs, long lead times and difficulty in acting on results. TidalTV is employing the capabilities of Menlo Park, Calif., research company Knowledge Networks - Dimestore Media to deploy surveys within overlay ad units. The surveys will focus on brand metrics, including brand awareness, message favorability and purchase

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## Calendar of Events March-May

IIR will hold a conference, themed "Measure Up," on March 10-12 at the Conrad Hilton in Chicago. Register through Quirk's to receive a 20 percent discount. For more information visit www.iirusa.com/measureup/welcome-page.xml?registration=MEASURE10QUIRK.

Frost & Sullivan will hold its annual competitive intelligence conference, themed "Strategic Competitive and Market Insights to Propel Profit and Growth," on March 10-13 in Washington, D.C. For more information visit www.frost.com.

PMRG will hold its annual national conference on March 21-23 at Disney's Contemporary Resort in Orlando, Fla. For more information visit www.pmrg.org.

The ARF will hold its annual RE:THINK! convention and expo on March 22-24 at the New York Marriott Marquis in Times Square. For more information visit www.thearf.org.

Research Magazine will hold its annual conference on March 23-24 at the Park Plaza Riverbank in London. For more information visit www.research-live.com/research2010.

ESOMAR will hold its annual Asia-Pacific conference on April 25-27 in Bangkok, Thailand. For more information visit www.esomar.org.

The Business Intelligence Group will hold its annual BIG Conference, themed "Back to Black? Prospects for B2B Research," on May 12-14 at the Marriott St. Pierre in Chepstow, South Wales, U.K. For more information visit www.bigconference.org.

The AAPOR will host its annual conference on May 13-16 at the Marriott Downtown Chicago in Chicago. For more information visit www.aapor.org.

The QRCA and the Association for Qualitative Research will hold a conference on qualitative research, themed "Inspiration in Action," on May 19-21 in Prague, Czech Republic. For more information visit www.inspirationinaction2010.org.

Mature Marketing and Research LLC will sponsor a workshop, themed "Marketing to Boomer Men and Boomer Women - How To Build Your Business In This Important Market," on May 14 at the Marriott Hotel in New York. For more information visit www.beyondboomers.com.

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

### News notes

The Market Research Standards Board of the **Market Research Society**, London, has revised the MRS Code of Conduct, which details the legal and ethical responsibilities for researchers. The revisions are based on a set of 10 principles which have been extended to cover researchers conducting non-research activities. The MRS Code includes several new rules, most notably with regard to the use of incentives in research interviewing wherein clients' goods or services, or vouchers to purchase these, are prevented from being used as incentives in a research project.

The Code also recognizes some of the fundamental changes in data collection, specifically in the online environment by incorporating new definitions for what constitutes an interview and a data collection process. A full explanation of all changes is online at www.mrs.org.uk/standards/codeconduct.htm.

New York research company **Authentic Response Inc.** has created an opportunity for its panelists to donate survey-based incentives to support the relief effort in Haiti. Panelist donations will go to Doctors Without Borders. Panelists still have the opportunity to fulfill their incentives in other ways.

Omaha, Neb., research company **infoGroup** has unveiled an updated logo as part of its 2010 rebranding initiative. The new logo includes the international symbol for information.

New York research company **Data Development Worldwide** has rebranded as **Radius Global Market Research**. The firm is online at www.radius-global.com.

Johnson City, Tenn., research company **Smarty Pants** has redesigned its company logo and updated its visual identity system. The new family logo includes a sister, mother and father for the original Smarty Pants boy icon. The identity system also includes individual logos for each of the four family members.

Encino, Calif., research company **United Sample** has changed its name to **uSamp** and launched a Web site under the new name at www.usamp.com.

In January 2010, San Francisco research company **Peanut Labs** launched Sample for Haiti, an initiative to help the earthquake victims in Haiti. Throughout the month of February, 10 percent of all profits generated from new and existing client sales were donated to the American Red Cross Haiti earthquake relief effort.

**The Media Rating Council**, New York, has accredited Columbia, Md., research company **Arbitron Inc.**'s monthly average quarter-hour radio ratings data in the Minneapolis-St. Paul market.

### Acquisitions/transactions

**Thomson Reuters**, a New York information company, has acquired **Discovery Logic Inc.**, a Rockville, Md., research company. Discovery Logic will operate as part of the health care and science business of Thomson Reuters. Financial terms of the transaction were not disclosed.

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Data Development **Worldwide**

By Scott Swigart and Sean Campbell

# Mining LinkedIn for B2B interview leads

Recruiting is never an easy task. First there is the work required to develop a reasonable recruit profile. Sponsors or clients typically ask for "best case" profiles at the start of the project. For example, "Find me individuals who have used our product, switched to Competitor X and then switched back to us (a win-back), and then make sure they reside only in zip codes that end with 4 (and don't ask me why)."

Understanding what to include in a recruiting profile from a cost-benefit analysis perspective is a bridge that anyone who fields a research study must cross early. But once the process of developing a rational recruiting profile is complete, you have to sit down and find those individuals who meet that profile.

So, for the purposes of this article let us assume that the process of identifying a good recruiting profile is complete. Let us also assume that we are looking at a series of in-depth interviews (IDIs) rather than a focus group. Finally, let us assume that the population isn't so generic that you can simply buy a list.

Where do you find your interviewees? How do you reach out to them? What means exist to get the largest number of the right people, while screening out those who do not meet the profile?

And let's also assume that simply buying a list and carpet-bombing with e-mails isn't going to do it. In our experience, many of those with relevant expertise don't align nicely with the boxes that the demographers check, such as:

- consultants who've successfully deployed open-source software to small businesses;
- vice presidents of manufacturing who have worked in the heavy-machinery industry and who have supported heavy lifting-equipment deployments worldwide;
- directors of finance with more than 10 years of experience working for educational institutions.

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Recruiting profiles like the above make things a good deal more interesting.

**snapshot**

**Using the tips detailed here, researchers can harness a few of LinkedIn's lesser-known capabilities to mine for quality prospects for in-depth B2B interviews.**

## Best tools

Your first steps for some of these scenarios are to find the "center mass" of individuals who would have the expertise that you want to query. Some of the best tools that exist out there today to sup-


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Fieldwork Chicago (Schaumburg)
Focus Pointe Global
Focuscope (Downtown)
Focuscope (Oak Brook)
Focuscope (Oak Park)
Murray Hill Center
Plaza Research
Schlesinger Associates (Downtown)
Schlesinger Associates (O'Hare)
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Smith Research (Oakbrook)

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Razor Focus (Stamford)
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Fieldwork Denver
Plaza Research
TAi

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MARS Research (Ft. Lauderdale)
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Superior Research (Tampa)
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Adept Consumer Testing (Encino)
Adler Weiner
Adler Weiner (Irvine)
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AIM (Costa Mesa)
AIM (Long Beach)
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Focus Pointe Global
House Marketing Research (Pasadena)
Meczka Marketing Research
Murray Hill Center
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Ascendancy Research (Minneapolis)
Delve (Minneapolis)
Fieldwork Minneapolis (Edina)

**MISSOURI**
Delve (Kansas City)
Delve (St. Louis)
Hatch Research (St. Louis)

**NEW YORK**
Focus Pointe Global
Fieldwork New York (Westchester)
Innovative Concepts (Long Island)
JRA (White Plains, NY)
Murray Hill Center
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Schlesinger Associates

**NEW JERSEY/ NEW YORK (Metro Area)**
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AIM (Morristown)
Fieldwork West (Fort Lee, NJ)
Focus Pointe Global (Teaneck, NJ)
Meadowlands Consumer Center (Secaucus, NJ)
Plaza Research (Paramus, NJ)
Schlesinger Associates (Edison, NJ)
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**RHODE ISLAND**
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**SAN DIEGO**
Plaza Research
Taylor Research

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Fieldwork San Francisco
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Greenberg Studios
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port this type of inquiry are the social networking sites such as LinkedIn that are frequently used by job searchers, recruiters and the types of folks who would network 24/7 whether they are looking for a job or not.

Following are a few tips to help you more effectively recruit candidates for qualitative market research studies from LinkedIn.

**LinkedIn groups**

If you took a poll of LinkedIn users, you would probably find that some love LinkedIn groups and some don't even know that they exist. But from a recruiting standpoint, they can be a golden resource.

Contacting people through group affiliations rather than directly with InMail is essential, because LinkedIn limits the number of InMails you can send based on the type of account for which you sign up. (For example, the $50-a-month basic account allows 10 InMails per month.) Ten InMails, even with a high response rate, aren't going to net a worthwhile number of interviewees.

However, the number of messages that you can send to other members of a share group is not limited at all. While group members may opt out of receiving private messages, most don't.

While LinkedIn limits your group membership list to 50 groups, your ability to drop in and out of groups is unlimited. So if you were doing a research study on cloud computing, for example, you could join those groups and drop them when the research recruiting is complete. And, generally speaking, there are groups for almost any alumni association, technology, business skill, current or past company employment, nonprofit or interest.

While we wouldn't recommend bombarding the discussion boards of individual groups with blanket requests for expertise on a given topic, we would recommend utilizing the groups as a way to quickly find individuals who have the required expertise and reach out to them with personalized messages.

**Saved searches**

We've also found that a number of LinkedIn users don't realize that you can save searches and have those searches e-mail you back new results on a weekly or daily basis. This can be useful for taking the pulse of certain industries or areas of expertise without having to do any extra polling. When the need arises, you can just open these e-mails and quickly generate a recruiting list.

**Advanced searching**

When searching across multiple countries, at first LinkedIn appears to put up a roadblock. LinkedIn's "Location" box allows the entry of only a single country. But if you dig deeper into the advanced options, in the [Filter By] menu on the left side of the search results page, under the [Location] header, each time you type in a location in the search box under [Show more...] and hit the return key, that location shows up in the list of locations above. You can continue typing in new location names under which to search for prospective respondents.

In general, LinkedIn is good for recruiting in what we would call the former British Empire. You'll find a good set of candidates in countries such as Australia, New Zealand, Singapore, Canada and the U.S. Obviously there is some overlap here with other English-speaking countries as well, which often will be a prerequisite for your research. One other area of overlap is where LinkedIn has launched a local portal. For example, there are a number of German employees on LinkedIn, due in no small part to the presence of a country-specific portal that LinkedIn developed for German users.

LinkedIn is not as good for trying to identify candidates who live in Asia, the Middle East or Central or Eastern Europe. While you'll find pockets of users in these regions, the pickings will be slim.

Also worth mentioning is Xing. If you are looking for predominantly European candidates for IDIs or focus groups, Xing has many similarities to LinkedIn and can be a very good place to search.

### Taken the time

Simply offering to contribute to someone's favorite charity, sending a gadget, or promising something for free isn't always going to be incentive enough to engage target recruits, especially if the target is someone with a lot of expertise.

However, what might work when more traditional means fail is making clear that you've taken the time to truly understand this person's background. Prior to the advent of social networking sites such as LinkedIn, Xing and even Facebook, you had to know someone who knew the person in order to gather much information beyond the person's current employer and title.

Today, you can craft incredibly personal recruiting e-mails that highlight a person's career experience (with sufficient ego-stroking) as the rationale for your attempt at an interview.

Think of it this way: If someone said to you, "Based on your profiles on the Web showing that you've worked on X, Y and Z for Companies A, B and C, I think you'd have great insight to offer into a subject we're researching." How would you react? At a minimum, you most likely would give the e-mail a second read, and you would have more incentive to reply positively to the e-mail than to an obvious form letter.

Everyone likes to be complimented and recognized for what they have achieved, all the more so in what has become a nearly knowledge-driven economy where the skills you have and the narrative you can build about your own career are what set you apart from others.

And given that all the profiles we are talking about are public, isn't it obvious that the folks we're talking about in this article want you to notice them? | Q

By Steve Hawter, Mae Nutley and John F. (Skip) Cindric

hospitality research

# An employee, a guest and a mystery shopper walk into a restaurant...

## How CiCi's Pizza used mystery shopping to set company-wide standards/evaluation metrics

Prior to large corporations having locations throughout the U.S., if not the world, local companies prevailed. Proximity and size made it possible for owners to ask their customers how service could improve and how satisfied they were. An owner could walk around his store and gain firsthand knowledge about the day-to-day operations and the happiness of his employees.

With the move from local businesses to nationally- and internationally-run corporations, this personal interaction disappeared, yet the need for that intimate knowledge of how the business is really performing remains. We can ask questions of our customers and employees. We can visit our individual locations, but how do we transform seemingly subjective and divergent information into tactical or actionable items, applicable on a large scale? How can a restaurant with 650 locations spanning 34 states deliver local, homegrown-feeling service to its broad clientele?

"Be intensely stubborn with the standards," says Kyle Smith, vice president of operations at Plano, Texas-based restaurant chain CiCi's Pizza.

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**snapshot**

**CiCi's Pizza commissioned a mystery shopping study to identify ways employees could help guests feel welcome and establish corporate standards by which performance could be measured - including know-your-name service and satisfying special requests.**

With that motto in mind, CiCi's was determined to set and maintain corporate standards of service that would satisfy its diverse customer base. But without the policy-makers seeing firsthand the action in the trenches, self-reported complaints or compliments from a handful of guests and employees were not substantial enough to warrant changes across the board. CiCi's required concrete data upon which to base new policies and standards, so the company employed a form of triangulation, a process wherein several data collection methods are used - going beyond the single-method approach (i.e., customer satisfaction or loyalty, employee engagement or mystery shopping) to a more global perspective. By incorporating a third-party perspective via mystery shopping, along with the experiences of CiCi's guests and employees, converging and diverging data points emerged from various interacting participants within differing conditions.

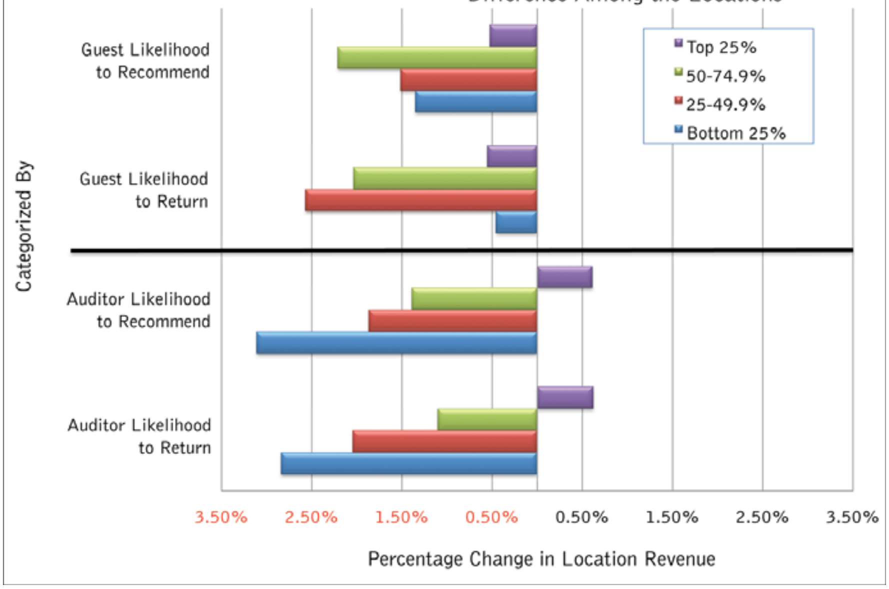
## Individual perception

Every approach or measurement tool contains some error; it is the task of the researcher to reduce the impact of these errors. The limitation that cannot be eliminated from self-reports is a function of what is being measured: individual perception. When guests are asked to rate their experiences, those ratings are already biased due to the individual's expectations. For example, a guest entering a CiCi's Pizza restaurant excited about the macaroni and cheese pizza may not notice the game room or the salad bar if his special order is delivered quickly and with the use of his name. Thus, overall satisfaction or whether the guest would recommend the restaurant may be a result of expectations being met or exceeded and nothing else. The same is true for employees who are simply trying to ensure the quality of the buffet and may not realize that a fellow co-worker is on break and dishes are stacking up in the dining room.

If the information gathered from guests and employees is combined, we begin to see that the employees are trying to fulfill guests' expectations of special requests while other restaurant service aspects that may be important to other guests, such as the temperature of the pizza and the cleanliness of the tabletops, are ignored.

The mystery shopping component serves as a third-party perspective - an observer having no vested interest in the performance evaluation of any location - and provides additional information about operational aspects that guests typically do not address unless there is a problem, along with

Figure 1




aspects that are outside of an individual employee's realm.

Seeking a richer, more objective view of customer experiences, CiCi's partnered with Corporate Research International (CRI), Findlay, Ohio, in 2005 to launch a mystery shopping program that would help define corporate expectations and to develop a system for evaluation of employee performance.

CRI's mystery shopping program includes mystery shoppers who resemble a typical guest; are trained and tested to assess each location using specific descriptions of corporate standards and expectations; are not current employees; and who use a defined protocol - with detailed checklists - to evaluate each location.

Additionally, to reduce the likelihood of missing information because a location is not audited, shops are scheduled by location, using an automated system supported by schedulers. The automated system schedules approximately 98 percent of all shops by selecting auditors based on parameters set by the client and account manager (AM), along with a proprietary auditor grading system.

To reduce shopping errors, a full report from each location is available within 24 hours of the shop on a custom partner Web site. This allows location managers to dispute shops on a resolution form that is managed and immediately responded to by the AM, with client program managers alerted if questions are not resolved. Finally, CRI stores data within in-house data centers that are backed up onto separate servers and transmits and reports data on secure online Web portals that in-house programmers maintain.

## Critical and consistent

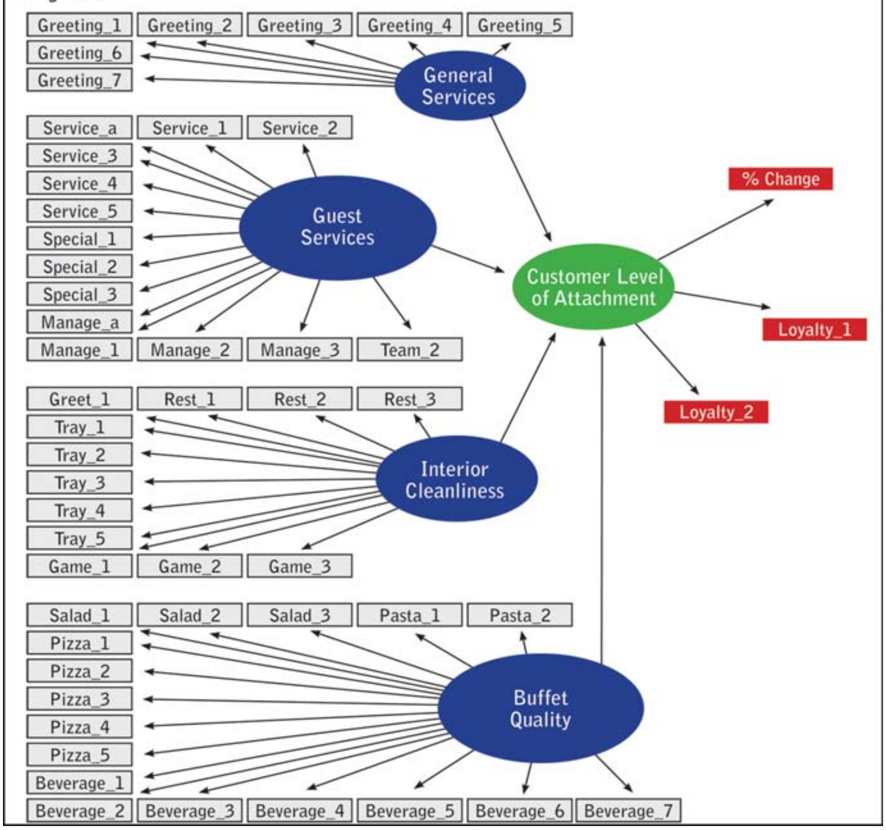
Mystery shopping auditors have been shown to be more critical and consistent of the overall service and experience at CiCi's Pizza versus guest reports (see Figure 1). Auditors' likelihood to return and recommend CiCi's better estimates changes in percentage of revenue compared to guest reports.

Since information obtained by auditors can be used to estimate ROI, the results of their audits for each location should also be further scrutinized.

It is clear that guests of CiCi's Pizza are attached to the restaurant more for the customer-friendly atmosphere than for the pizza quality. Sincere acknowledgement of a guest entering the restaurant strongly influenced guest perception and gross sales. Service quality (using a guest's name and small efforts to serve a guest) was almost as important as food quality, but outweighs facility cleanliness (Figure 2).

If guest services increases by a factor of one, guests' willingness to recommend improves over 200 percent and guests are 120 percent more likely to return to CiCi's. When general services improve by a factor of one, ROI improves by 7.7 percent and the possibility of a location closing decreases by 5 percent. This level of personalized

Figure 2




Structural equation model showing the indirect influences of general services, guest services, interior cleanliness and buffet quality with customer loyalty measures and ROI through customers' level of attachment to CiCi's.

service has become a part of CiCi's standards, indicating that consumers still crave and respond well to the personalized service once common among locally-owned and -operated businesses.

Mystery shopping programs conducted by an unbiased third party under predefined and tested protocols allow companies to quantify operational standards and interactions with frontline employees. Corporations can assess whether operational standards are maintained at all locations because the same standards are being measured at every location.

Defining the attributes and habits of the top performers can help corporate managers define best-practices for all locations. For example, CiCi's developed new training aids to enhance the guest-employee interaction. The training aids focus on developing personal interactions through the use of names and conversation initiations to better understand what additional services would enhance a guest's experience at CiCi's. Finally, a mystery shopping program can be useful for tracking training effectiveness.

Figure 3

### Continuous Improvement Action Plan Bank

**Continuous Improvement Actions:**

**Focus Area: Communications**
CI Action: Will adapt appropriate communication style (Thinker, Doer, Feeler, Intuitor) to the customer. This helps to ensure accuracy of performance and desired outcomes.
CI Action: Will paraphrase the customer's message to ensure clarity of understanding when discussing a request or responding to a concern of the customer.
CI Action: Will accept input from all interpersonal styles (Thinker, Doer, Feeler, Intuitor), recognizing that these differences can contribute to more balanced decisions even if they are lacking in supportive documentation.

**Focus Area: Interpersonal Skills – Building Rapport**
CI Action: Will listen carefully to the needs and requirements of other parties. Pursue solutions that provide mutual benefit.
CI Action: Will reflect on interactions of substance with customers and team members to determine what I did well and what I might/should do better/differently in similar situations.

**Focus Area: Managing Interpersonal Conflicts**
CI Action: Will clarify specific issues causing conflict using fact, data and/or observations.
CI Action: Will consciously select non-confrontational phraseology that communicates goals and needs without fostering conflict or negative emotional responses.
CI Action: Will address conflicting viewpoints as mutual points of discussion in an objective manner rather than the personal issue.

## Employee assessments

Even with best practices in place, organizations can be challenged by a lack of effective strategies to correct performance behaviors and set standards of service driven by real-world feedback. Generally, employee assessments are completed with some identification of performance deficiencies but no suggestions on corrective strategies. In essence, organizations receive the problem with no ideas for a solution. CRI employs a four-step process (which it calls the Professional Development Training Program) for identifying performance concerns and suggesting corrective strategies.

Step one baselines performance (assessed by mystery shopping) and develops action plans to address deficiencies. The electronically-formatted action plan is supported with a performance strategy bank, containing hundreds of strategies to address behavioral performance issues, and is accessible by the employee and supervisor. Numerous asynchronous Web-based training modules to meet developmental needs are available for each step in the CRI process. For example, CiCi's used an instruction module called "Learning the Guest's Name" that supported CiCi's service quality standards (i.e., using guest's name when delivering special requests).

Step two is the implementation of the action plan (Figure 3) that requires the employee to participate in asynchronous Web-based training modules individually or in small-group settings. In addition, the employee participates in behavior-based performance strategies and is expected to demonstrate the knowledge and skills acquired through the action plan in the work setting. This is followed by the third step, in which both the employee and supervisor independently rate the performance changes for the areas noted on the employee's action plan. They validate ratings with work examples and observations. This process continues every four-to-six weeks.

It is important to give the employee adequate time to integrate new habits into their behavior prior to assessing their application. As the process progresses, additional strategies will most likely be identified to enhance desired behavioral changes and added to the existing action plan.

Step four uses a four-to-six-week cycle for changing habits. Habits being what they are, an employee must learn and repeatedly apply new skills and knowledge to change old ways into new ones. The positive performance behavioral change progression is reflected in the employee and supervisor's ratings and written rationales and/or examples for each rating. The Professional Development Training Program is completed when the desired performance behaviors are acquired and demonstrated in the work setting.

## Balanced and objective

Eliminating individual bias with mystery shopping allowed CiCi's to validate which guest concerns were substantial and commonly-held and which were largely dependent on a guest's personal circumstances and expectations. The triangulation method provided CiCi's with balanced and objective feedback that directed the company in improving its service and its product. Instead of subjective ratings on comment cards, CiCi's mystery shopping project unearthed concrete ways of determining the quality of service - from whether an employee uses a customer's name to what customer-preferred temperature the pizza is kept at.

By identifying the seemingly-small efforts employees could make to help guests feel more welcome, and in turn, increase customer satisfaction and loyalty, CiCi's established metrics on which employees can be evaluated and set standards worth being stubborn about. | Q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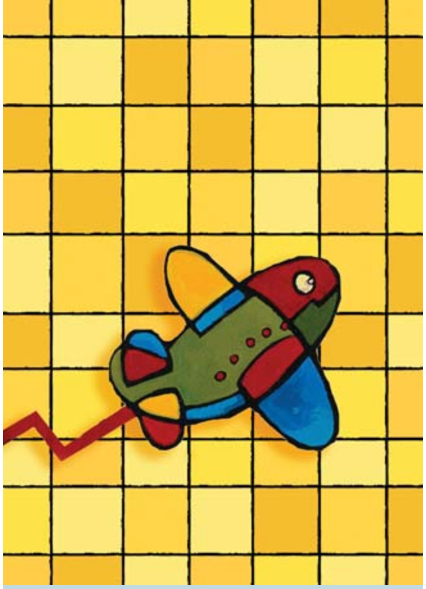
hospitality research

# No longer flying blind?

## Using online behavior to measure the travel industry's recession-based injury and recovery



By Lincoln Merrihew

The U.S. is in the midst of an historic recession and curtailed spending has affected almost every industry. The travel industry suffered more than others because consumers were more likely to cut back on discretionary/non-essential items and travel is largely discretionary. In a study undertaken for the purposes of this article, Compete Inc., a Boston research firm, found that consumers have responded by changing their behavior: researching/shopping in different places, researching/shopping a greater number of sources, or not researching/shopping at all.

Going into the study, a number of hypotheses were considered.

**Hypothesis 1:** *Consumer online behavior, when truly aggregated across supplier sites and online travel agencies (OTAs), forms an accurate measure of travel industry demand.*

To ensure data stability, Compete used a consistent process across all sources and months, using specific activities within sites as behavioral indicators, and avoiding double-counting and false positives (more details on methodology below).

The travel industry has responded to the market and changes in consumer activity in a number of ways, by:

- cutting prices, trimming amenities and exploring new fees;
- stepping up loyalty-based programs and/or efforts to reach out to new audiences;
- cutting advertising (to reduce costs) or ratcheting up advertising (to increase share of voice/advertising ROI);
- taking some current capacity offline, as possible, and postponing adding new capacity; and
- exploring incremental revenue and income options, such as through cross-selling.

These were aggressive tactics to say the least and on a scale not seen in decades. The industry's aggressive responses led us to our second hypothesis:

**Hypothesis 2**: *While sales, booking and revenue are under pressure, consumers still exhibited mid-funnel interest in travel online as the industry responded.* (Looking at the travel industry sales funnel, awareness of a brand would be near the top, booking would be at the bottom and researching online, as discussed here, is midway or mid-funnel.)

Compounding the industry's ability to plan for and manage the recovery is that the longer and deeper a recession, the less likely consumers are to return to pre-recession behaviors. The current recession certainly falls into the "longer and deeper" category. Besides

**snapshot**

An examination of Web search-related data from 2007 to 2009 charts the travel industry's recession-induced slump and points at a possible turnaround in the offing.

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its magnitude, this recession also adds an additional unknown: As the first major recession in the digital age, there is no benchmark for recovery. So while the industry will recover, it is in many ways flying blind. Will consumers return to the same brands? Will loyalty programs become more or less important? Will consumers travel less? Will they return to specific brands and suppliers or continue to use third-party sources?

Consumer online travel research behavior and volume provides an illuminating view at bookings potential for the industry, which leads to our third hypothesis:

**Hypothesis 3:** *Online behavior is a leading performance indicator, and the combination of early economic recovery and aggressive tactics by the travel industry should be clearly visible.*

**Figure 1: Aggregate Unique Visitors to Travel Supplier Sites and Online Travel Agencies**

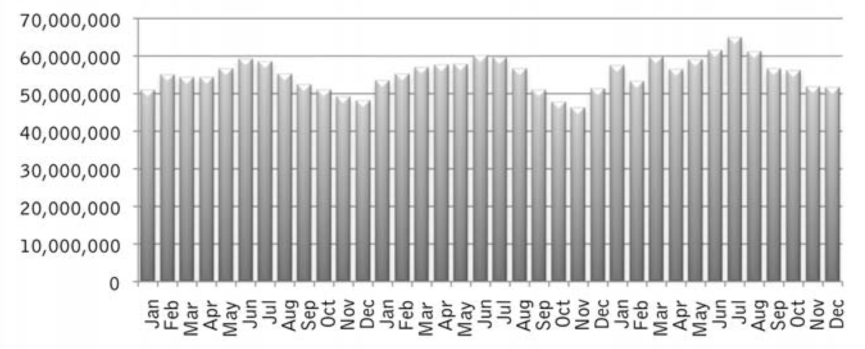
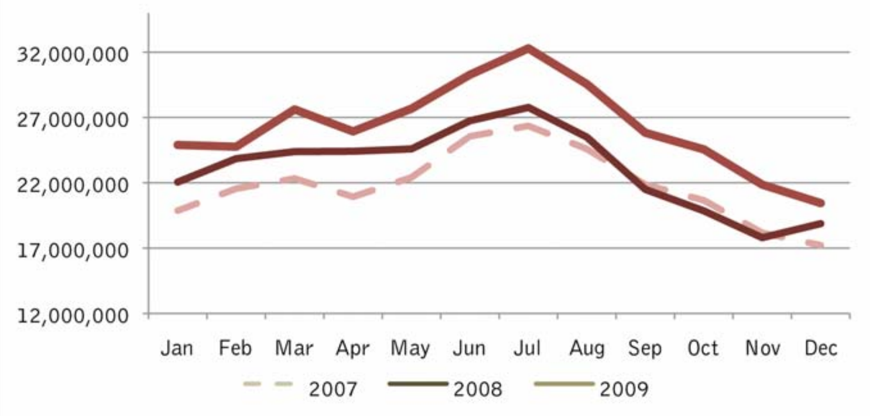



**Figure 2: Aggregate Unique Visitors to Hotel Supplier Sites and Online Travel Agency Hotel Sections**




**Methodology and analyses**

To evaluate the hypotheses and help set the stage for charting the recovery, Compete analyzed consumer online research behavior across sites and years. We analyzed the industry and specific travel categories: hotel, cruise, flight and car rental.

The analyses were based on the number of unique consumers that visited sites in aggregate that together represent those travel categories. The sites include supplier sites as well as the category-specific sections of OTA sites. Unique means that we avoid "false positives" by not double-counting people who 1) went to the same site in the same month or 2) went to more than one site in a set of category sites in the same month. These data are all based on observed online behavior - actions, not recollections. The behavior tracking is all permission-based and does not use cookies (so data validity is not subject to the risks of cookie deletion).

Using the above methodology, a consumer who visits a given hotel site more than once in a month is counted only once. Likewise, a consumer who visits four different hotel supplier sites and three OTA site hotel sections in a given month is also counted as only one person. Compete also tracks visits, page views, session and time-on-site but here we focused on unique visitors.

We compared same-month data across 2007, 2008 and 2009 to account for seasonality for the entire industry. We then did the same for each category separately to help reveal the extent to which industries suffered and recovered at different rates.

Note: Results are based on domain-level visits to the sites in each of the categories. Compete also tracks behavior deeper into the purchase funnel and toward bookings, but those are beyond the scope of this analysis.

**Findings**

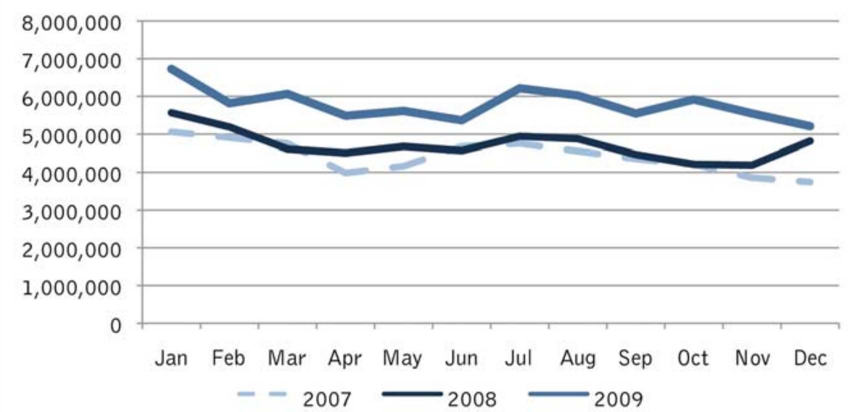
***Industry***

Across the four major categories, the industry is showing a blend of recovery and seasonal patterns. In general, consumers are shifting more of their travel research online, so all else being equal, online research and shopping activity should be trending up. Hence the slight decline in volume in 2008 represents the impact of the recession. Indeed, the lowest volume across the period is November 2008 - when the brunt of the recession took hold (Figure 1). The recovery of growth in 2009 is a key indicator of consumers' return to travel research.

***Category***

Compete analyses suggest that the hotel and cruise categories recovered faster

Figure 3: Aggregate Unique Visitors to Cruise Supplier Sites and Online Travel Agency Cruise Sections




than did airlines and car rental, based on comparing monthly 2009 results vs. the same period in 2008. The hotel and cruise categories posted sustained year-over-year gains starting in early 2009 (Figures 2 and 3) with aggregate traffic in 2009 above 2008 levels in all months. The gains coincide both with the U.S. emerging from the recession and, as significantly, with very aggressive price-cutting and deal-creation by these categories. The results also highlight the dip in consumer traffic during the brunt of the recession (Q4 2008) and more so than simple seasonal patterns would suggest.

In contrast to hotel and cruise, the airline and car rental categories took longer to recover (Figures 4 and 5). Sustained airline traffic did not lift year-

Figure 4: Aggregate Unique Visitors to Airline Supplier Sites and Online Travel Agency Airline Sections

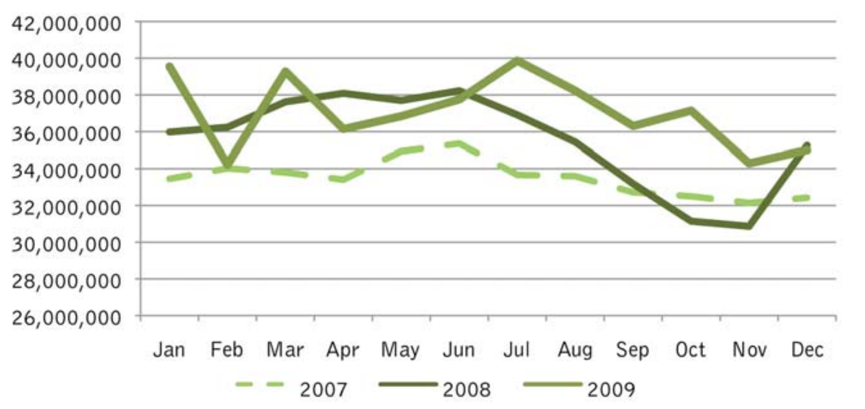
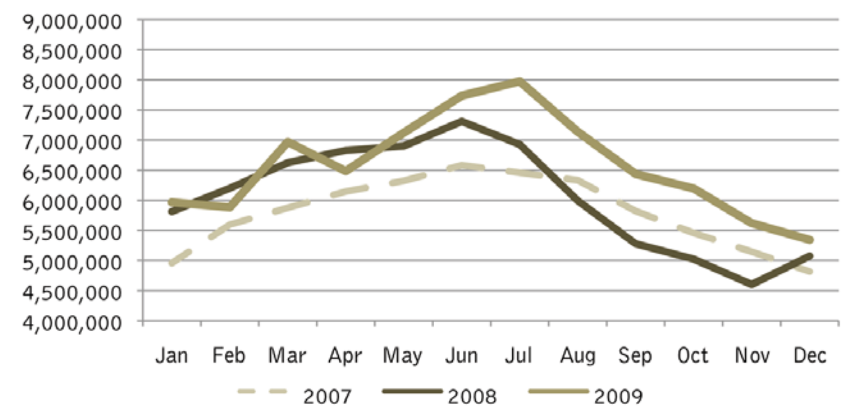



Figure 5: Aggregate Unique Visitors to Car Rental Supplier Sites and Online Travel Agency Car Rental Sections




over-year until July 2009; sustained car rental year-over-year gains did not start until June 2009.

Airlines and car rentals also show the effects of the Q4 2008 recession bottom. Both had 2008 Q4 traffic below Q4 2007, with car rental showing the longest and deepest drop in that period among the four categories shown.

**Conclusions and evaluations of hypotheses**

In summary, all four categories are showing signs of recovery, and in general consumer research levels are leading indicators, pre-dating the industry's overall financial rebound. True recovery will of course entail more shoppers but it also needs to include more bookings and fewer discounts/ rates closer to pre-recession levels.

**Hypothesis 1:** *Consumer online behavior, when aggregated across supplier sites and online travel agencies, forms an accurate measure of travel industry demand.*

***Validated:*** The data clearly show seasonal patterns as well as the pause in online growth during the worst months of the recession.

**Hypothesis 2:** *While sales, booking and revenue are under pressure, consumers still exhibited mid-funnel interest in travel online as the industry responded.*

***Validated:*** The changes in consumer behavior to date were less significant than bookings and revenue declines for the industry overall. This supports the concept that impacts were greater at the bottom of the funnel than in the middle. It also reflects the industry's relative success in keeping customers somewhat engaged as they developed and promoted discounts and loyalty programs.

**Hypothesis 3:** *Online behavior is a leading performance indicator, and the combination of early economic recovery and aggressive tactics by the travel industry should be clearly visible.*

***Validated:*** All four categories are showing visible signs of recovery, though at different rates.

## Signs of recovery

What are some additional signs of recovery to watch for? While the study results show the emergence of recovery, more data points are needed for a true clean bill of health:

- Continued growth in mid-funnel online travel activity. This includes growth beyond what the overall shift to online would suggest.
- Trickle-down of mid-funnel activity into the lower funnel. This includes all steps from research to shopping to booking to loyalty program enrollment.
- Changes in upper-funnel activity on search engines. Consumer search-term patterns should evolve. Example: use of branded terms could increase while use of non-branded terms (including those that contain "deal" and "discount") could decrease.

### Logical actions

Given that the industry is hinting at resurgence and that there is no benchmark for a digital-age recovery, logical actions for the travel industry to help optimize performance during the recovery include:

1. Time changes in pricing, fees, amenities and active capacity with changes in consumer behavior by site and by industry. Use growth in each step of the funnel as a bellwether in general and within the context of the industry overall. Track and respond to changes cross-shopping within sub-industry and across the industry.
2. Assess digital brand health coming out of the recession. Consumers may or may not return to pre-recession behaviors and many consumers may have found new "brand best friends." To manage pricing and capacity decisions, brands need to make ongoing adjustments to expectations based on the extent to which consumers return or are available for conquest.

   Search engines are among the best "digital funnel" health indicators. For example, compare the extent to which customers shop your products after searching on a brand name or on a generic term.
3. Optimize the balance of quantity and quality of consumer traffic. Traffic quantity and quality often move in opposite directions and the recovery will mean acquisition costs will change and at the same time yields will change. These can be measured based on the extent to which traffic from various sources actually books (on a given site or anywhere).
4. Evaluate opportunities for cross-selling strategies. The industry is placing increased emphasis on the importance of where you book. If this resonates with consumers, it sets the stage for travel companies to expand what they offer to consumers (much like Google has migrated from search provider to phone provider). Understanding how consumers research across categories and brands can inform the best cross-selling opportunities and strategies.
5. Adjust loyal customer yield expectations. Quantify the extent to which your loyal members have also become loyal members of rivals and across travel. The less "pure" a customer's loyalty, the more difficult it is likely to be to convert loyalty to sales. | Q

quantitative/hospitality research

# Do harder questions produce more useful answers?

## Why rankings may be better than ratings


By Randy Brooks

The usage of rating scales in one form or another consumes a considerable proportion of the work of the average marketing research professional. What I am about to describe will challenge your thinking about the utility of much of that effort. It will lay out a promising alternative for you to consider.

My hope for this article is that, after reading it, every reader will rethink the method they use for measuring consumer attitudes - methods most of us have employed from our first days in the business.

### Bewildering array

For the past few years, the Internet data-quality controversy has galvanized the survey research industry. The topic rose to prominence following a 2006 conference on respondent cooperation hosted in Chicago by the IIR and Bob Lederer of RFL Communications, during which several research executives raised questions about accepted industry practices. Over the next three to four years a bewildering array of articles were written, speeches made and other conferences held to examine online data collection and to hold it to very high standards of accuracy, predictability and quality.

Among the many areas that were repeatedly explored was a relative newcomer to the world of survey research: straightliners, aka inattentive respondents. These individuals give undifferentiated responses in replying to ratings question. All or many brands are "excellent." The data are not useful or interesting and there have been suggestions that these respondents should be eliminated from the sample because they have, presumably, not paid close attention to the tasks they were asked to perform. Most speakers/authors have suggested that the Internet method created this problem since no interviewers were present to make sure that the respondents "paid attention."

Early on, the industry agreed that (another new term) speeders - those who finished questionnaires with implausible speed - were clearly gaming the system and they were deleted from most ending samples. The straightliners thus were consumers who had spent a sensible amount of time answering questions but frankly the answers they gave were not very discriminating and not very interesting.

At our firm, we decided to look into the straightliners more carefully. Our first step was to take a broad look at the issue. We combed our files for studies we had done over the prior 20 years that: obtained ratings on multiple brands; utilized a variety of data collection methods and; included a broad array of categories and respondents.

**snapshot**

**Does asking them to rank rather than rate give a clearer picture of consumers' opinions about brands? And, are researchers themselves to blame for the problem of straightlining? This article aims to answer both questions.**

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Our first step was to create a consistent definition of straightlining and test each data set for the presence of this issue. As Figure 1 illustrates, we saw that Internet studies were no more likely to show evidence of straightlining than other methods had in the past. Clearly, straightlining has always been a factor in our work - it is not restricted to Internet studies.

In the majority of studies respondents are asked to rate brands they have used on attributes relevant to the category. The task is simple: List the brands of ice cream (for example) you use and now rate these brands on "taste." Think about that for a moment. Presumably all of the brands of ice cream you use taste pretty good. In fact, most of them might get an excellent rating. That could in fact be a perfectly rational and logical (if analytically boring) answer. Perhaps the straightlining problem is not the fault of inattentive consumers but frankly a logical and rational answer to a trivial question.

In looking further at work we have done, we examined an R&D project completed in the fall of 2008. Over 70,000 respondents were interviewed using a very carefully drawn national probability sample provided by Greenfield Online. Respondents reported restaurant usage daily over a seven-week period that correlated with sales of the leading 100 chains - highly accurate data. Beyond that, consumers rated their satisfaction with all chains they used "yesterday" on four key characteristics of restaurant performance. Figure 2 summarizes the ratings for McDonald's versus the average for all quick-service restaurants (QSRs). Remember McDonald's has a very dominant position in the industry. With brand share of over 30 percent and with no other restaurant enjoying more than 10 percent, McDonald's is three times bigger than its closest competitor.

Figure 2 shows the consumer average rating of satisfaction with visits to a quick-service restaurant "yesterday." McDonald's, the clear leader in the industry by a factor of 300 percent, was last or nearly last on all four of the attributes. This made no sense. If the measures of attitude obtained bear no relationship to sales then there has to be something wrong with the way the measures of attitude are obtained!

Figure 1: Percent of Respondents Judged to be Straightlining Responses

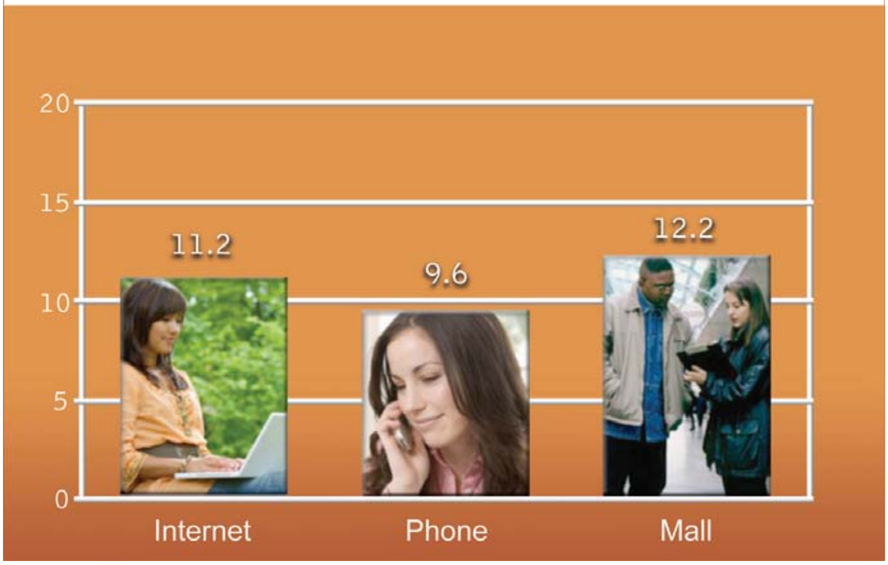
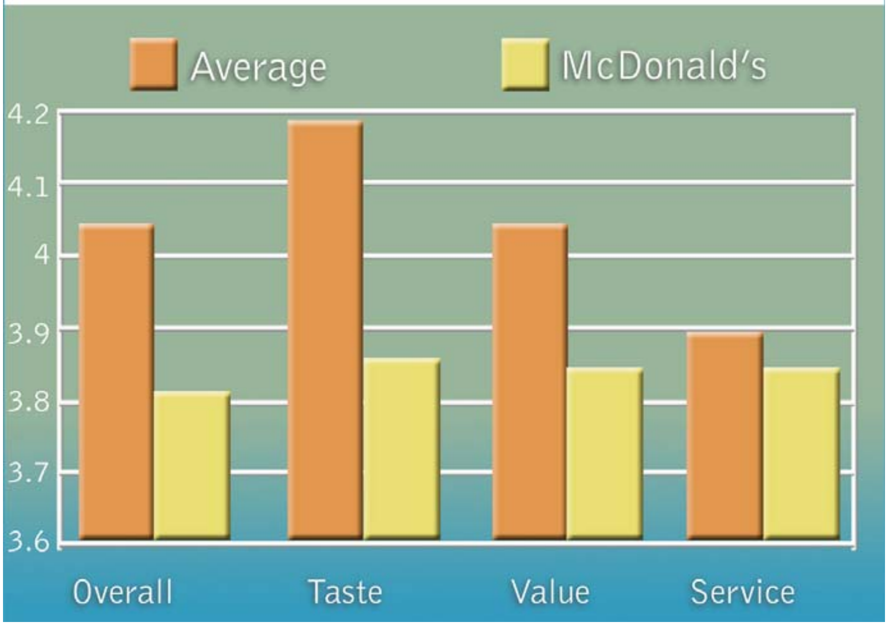



Figure 2: Consumer Average Rating of Satisfaction with Visits to Quick-Service Restaurant 'Yesterday'




## Wonder about an alternative

As we thought about this problem we began to wonder about an alternative to ratings of brands among users. Part of the problem with ratings is that they permit ties. The alternative we focused on was ranking of brands among users. We hypothesized that this would be a harder question to answer but were hopeful that it would prove to be more useful (i.e., predictive of behavior).

We elected to do the work among users of QSRs again. We obtained a national probability sample from Greenfield Online - this time 2,325 respondents who had visited a QSRs in the past month. Respondents were shown the logos of the leading 35 QSRs in the U.S. and asked which they had visited in the past month and how often. The panel was then divided into two matched groups. The first group rated all brands they used on 12 attributes using an excellent-to-poor scale. The second group ranked the brands they used on each attribute.

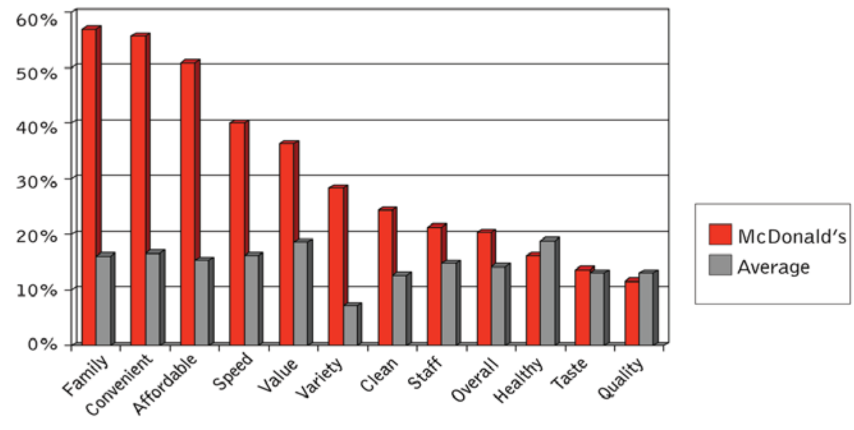
We decided to test the alternative approaches' ability to predict or correlate with behavior. A simple correlation between the alternative measures of attitude and the share of past four-week usage seemed appropriate. We looked carefully at alternative ways to use the data and decided on three:

- Ratings data: percent who rate the brand excellent; average score on a five-point scale.
- Rankings data: percent who ranked the brand No. 1.

Next we calculated the correlation of each measure with share (see table).

| | | Ratings | |
|---|---|---|---|
| | Ranks | Top Box | Means |
| Affordable | 0.85 | 0.62 | 0.66 |
| Value | 0.84 | 0.39 | 0.41 |
| Convenient | 0.84 | 0.81 | 0.85 |
| Speed | 0.76 | 0.23 | 0.28 |
| Family | 0.70 | 0.39 | 0.41 |
| Variety | 0.46 | 0.02 | 0.17 |
| Healthy | 0.26 | 0.16 | 0.16 |
| Clean | 0.19 | -0.18 | -0.16 |
| Staff | 0.10 | -0.12 | -0.29 |
| Taste | -0.04 | -0.36 | -0.36 |
| Quality | -0.07 | -0.26 | -0.38 |

Figure 3: McDonald's Image vs. the Average for Burger QSRs
(percent of users ranking brand #1)




Clearly, the ranks correlate more with behavior than the ratings.

The image advantage using this approach for McDonald's is shown in Figure 3. McDonald's image obtained from this metric was far more sensible. McDonald's dominates other chains on key attributes like convenience, value, affordable, speed and family. This data helps to explain the reasons for behavior rather than being contradictory of behavior.

## Like them a lot

If we take a long view of this issue it seems clear that consumers could and should "like" the brands they use – in fact they should like them a lot. In the QSR space consumers have myriad options but the average respondent

## Research Company Spotlight - Hospitality Research

Below is a list of firms from our Researcher SourceBook™ specializing in hospitality research.

**Bare International**
800-296-6699 x3131
www.bareinternational.com

**Creoso Corporation**
602-438-2100
www.digivey.com

**Davidson-Peterson Associates**
207-985-1790
www.dpaonline.com

**e-Rewards Market Research** » SEE AD 59
888-203-6245
www.e-rewardsresearch.com

**Greenfield Consulting Group** » SEE AD 15
203-221-0411
www.greenfieldgroup.com

**IW Research**
651-704-0295
www.iw-research.com

**J.L. Roth & Associates, Inc.**
727-772-0100
www.jlrothassoc.com

**Just The Facts, Inc.**
847-506-0033
www.justthefacts.com

**M/A/R/C® Research**
800-884-6272
www.MARCresearch.com/strong

**Maktoob Research**
971-4391-3640 (Dubai)
www.maktoob-research.com

**Maritz Research** » SEE AD 17
877-4-MARITZ
www.maritzresearch.com

**Millward Brown, Inc.**
212-548-7200
www.millwardbrown.com

**The MSR Group**
402-392-0755
www.themsrgroup.com

**P. Robert and Partners S.A.**
41-21-802-84-84
www.probert.com

**PinPoint Research**
510-655-9383
www.pinpointresearch.com

**Precision Research Inc.**
602-997-9711
www.precisionresearchinc.com

**Quality Solutions, Inc.**
800-471-1646
www.qualitysolutions.com

**RestaurantInsights.com**
803-798-6373
www.restaurantinsights.com

**The Sentry Marketing Grp., LLC**
214-295-2615
www.sentrymarketing.com

**Toluna USA** » SEE AD 15
203-834-8585
www.greenfield-ciaosurveys.com

**User Insight**
770-391-1099
www.uifacilities.com

**ZenMango**
303-521-1988
www.zenmango.com

chooses to use just six different ones. Presumably these chosen restaurants have passed an important test. Having made it to the inner circle of brands however does not guarantee equal success for all brands. Consumers make discrete choices every day (they only rate brands when annoying market researchers trap them into answering lengthy questionnaires!).

Consumers "break ties" every time they choose one brand or restaurant over another. These decisions may be difficult to make but some brand has to win on each occasion. The rankings approach taps into that process. It is clear that attractive contenders lose sales every day to brands that are slightly better. These may be tough choices but they are made daily.

We checked the interview length for the two approaches and found that the ratings panel whipped through the questionnaire in just seven minutes. They had a pretty simple task: provide obvious answers to trivial questions. The rankings panel took 11 minutes to complete their tasks. Obviously we obtained more attention from the respondents when we asked a more demanding question!

The rankings data requires each consumer to explicitly and repeatedly examine the brands they use and then select the best one. The frame of reference for each consumer is unique to them. It is an interesting metric and one that appears to provide superior actionable insight into the connection between attitudes and behavior.

We suspect that the relative stability that is common in much tracking work on attributes may be due the probable insensitivity of ratings data. We suspect that tracking of consumer attitudes might be improved by using the more sensitive ranking approach.

It seems to us that rankings offer a very attractive alternative to ratings, especially if consumers of the categories of interest regularly use multiple brands. It furthermore seems to us that straightlining is largely the creation of our profession - the result of the asking of questions which have an obvious answer. | Q

business-to-business research

# Open for business

## Why online focus groups can work for B2B research

By Matthew Harrison

The technological revolution of the past 15 years has led to the rapid development of online data collection methodologies. Of these, the online survey is the most established, being regarded as an excellent way of obtaining the views of large numbers of respondents in an accurate and cost-effective way.

More recently, online focus groups have emerged, making it possible to obtain qualitative information online. This evolution has been driven not only by the speed and sophistication of new technology but also by respondents' willingness - or even their request - to provide their views over the Internet rather than face-to-face or over the telephone.

In our view, the most reliable market research data is obtained by engaging the interest of the respondent. This is achieved through a subject matter that is perceived as relevant and is also dependent on us communicating through a medium of the respondent's choosing at a time that suits them.

This article outlines the principles of online focus groups, before examining the 13 key benefits of the technique, some limitations and offering thoughts on the future of the technique.

### Key difference

The experience of the online focus groups we conduct is similar to that behind Internet message boards. Participants are given a user name and password to access a secure Web site, on which questions about the research topic are posted. The participants are asked to reply to each question, rather like they would with an online questionnaire.

A key difference with an online focus group, however, is that every participant sees the responses of all of the other respondents and is asked to respond to these views as well as to the initial question posed by the researcher. In addition, the researcher inserts questions as the discussion develops in order to probe areas of particular interest or to gain further information on new topics that participants introduce to the discussion. In this way, a real-time, dynamic discussion develops between the researcher and the respondents, just as would be the case with a face-to-face focus group.

Online focus groups can take


**snapshot**

The author outlines 13 strengths of online focus groups for B2B research, including their ability to easily assemble far-flung and specialized audiences, and opines on how the method might evolve to keep pace with changes in technology.



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place for a defined period of, say, 90 minutes, as with a face-to-face focus group. In this case, all respondents are asked to log on at the same time and give their views on a variety of issues throughout that period. In our view, however, online groups are more effective when spread over a period of two days, with respondents entering the discussion at different times to suit their convenience. Our experience also shows that two-day groups generate more considered opinion and a greater volume of information, advantages which are discussed in detail later.



## 13 reasons to conduct online B2B focus groups

**1. Volume of information**
One of the factors instrumental in limiting the growth of online research techniques has been the view by many research buyers (and indeed agencies) that e-research is only suitable within very limited boundaries: short questionnaires consisting mainly of closed questions.

The increasing success of online focus groups is giving the lie to this perception, however, and emphasizing the immense potential of online qualitative research. The volume of information generated by our online focus groups has shown that a high proportion of business respondents provide more information in an online discussion than they would if the same discussion were held face-to-face.

Our results show that, once respondents have agreed to join the discussion, they are happy to log on two, three or more times over the duration of the group (typically a couple of days), providing perhaps two hours worth of comment each. Compare this with a conventional 90-minute focus group between eight respondents - here each respondent will average a 10-minute contribution.

**2. Depth and quality of information**
Of course, obtaining a large volume of information is all very well. Of more importance in qualitative research is that the information obtained is in-depth and provides a profound understanding of the issues under scrutiny.

Examination of the data obtained by online focus groups indicates that there is no significant difference in the depth of information obtained in comparison with face-to-face groups. Just as in face-to-face groups, specific issues can be probed in detail where extra detail is required.

An online focus group typically generates around 10,000 to 12,000 words and this transcript is available immediately on completion of the group. This is a very similar output to the number of words from conventional focus groups run in viewing centers, although there is a significant difference - the output from an online focus group can have more pertinent comment. People give more consideration to words that are typed than words that are spoken - there is far less waffle!

**3. Reflection time**
Online groups allow reflection time when it comes to considering questions and topics introduced by the moderator. Whereas a face-to-face group takes no more than two hours, putting pressure on the moderator and respondents to cover issues quickly, the online focus group takes place over the course of two days, with respondents entering and leaving the discussion as they choose. This provides valuable reflection time, increasing the chances of respondents saying what they really think rather than making rash statements.

Online focus groups mirror the business-to-business decision-making process. Most business-to-business decisions require consideration. Very often views can change as people think about the question and sleep on it. The focus group spread over two days allows respondents to do just this.

**4. Accuracy and granularity**
A simple reason why online groups can be extremely accurate is the fact that this is a self-completion technique. The researcher receives, in written format, the views of the respondent as expressed by that respondent.

Also important, online focus group software allows respondents to be individually identified far more easily than in a face-to-face group. Respondents of a different genre (e.g., customers and non-customers) can be mixed into one group, while researchers and clients watch the debate knowing who is who. Indeed, responses can be sorted by respondent or by company, meaning that online focus groups can provide far more granularity of response than their face-to-face counterparts.

Thirdly, the higher numbers of respondents on online focus groups (often up to 20, and sometimes more) mean that an element of quantitative questioning and analysis can be incorporated. Indeed, online focus group software allows us to construct "polls," which are effectively mini-surveys of chosen questions, in which respondents can only see others' responses when they themselves have contributed a response.

**5. Inclusiveness**

Online focus groups are an inclusive technology, allowing everyone to take whatever time they want to have their say, and to do so anonymously if they choose. Therefore, respondents who may by nature be intimidated or reticent in a face-to-face group may be more likely to speak up when they are not eyeball-to-eyeball with respondents they perhaps see as more knowledgeable, influential or articulate, or who simply speak loudly and are inclined to interrupt. In an online discussion, there is no reason for the less-vocal to have less of a say!

Furthermore, in a two-day online discussion there is an opportunity to write more. Because there is no time pressure (as there is in a group lasting 90 minutes), people can be more relaxed about their typing speeds and take their time to express their point. Someone with 40-words-per-minute typing speed is not at the mercy of someone who types 120 words per minute.

**6. Honesty of respondents**

The face-to-face focus group is often vaunted as an excellent means of relaxing respondents and getting them to open up, and we would certainly concur. The same holds true online, where the results from a high proportion of our focus groups suggest that the perceived anonymity afforded by a Web-based discussion further increases respondents' frankness.

**7. A better spread of respondents**

In a conventional face-to-face focus group, participants with a shared interest are gathered at a viewing facility. Very few respondents are willing to travel for more than half an hour to take part in such a group, however large the incentive.

Clearly in a virtual group, logistical restrictions linked to geography do not apply. Respondents can be gathered from all over the world to take part in the discussion. This means that in markets with sparse, low-incidence audiences (and this applies to many business-to-business markets) there is a new opportunity to bring respondents with a similar interest together.

**8. Incorporating different geographies and time zones**

A key distinguishing characteristic of online focus groups is the flexibility that is afforded in terms of time. In a face-to-face focus group, clearly all respondents must be gathered at the same venue at the same time, and for the same length of time.

In the case of online focus groups, however, respondents can dip in and out of the conversation at their convenience, returning to issues of interest as extra comments are added. Comments and questions are not ephemeral as in a face-to-face discussion - once a question or view has been aired, it stays on the discussion board for the duration of the discussion, for everyone else to respond to. This allows respondents from different geographical locations and time zones to take part in the same conversation.



**9. Researching senior respondents**

The more senior the target audience, the more sparsely they are spread, the more they value their time, and the more difficult it is to assemble such an audience in the same room at the same time. When research agencies are asked to research the views of directors and other senior respondents, the typical response is to recommend an in-depth face-to-face or telephone interview.

The advent of the online focus group, however, removes many of the barriers preventing an interactive discussion between senior businesspeople. Ten heads of businesses spread across the world can all take part in the same discussion, and the respondents can fit their contributions around their busy and fast-changing calendars. Furthermore, senior people are usually well-educated and relatively IT-savvy, making them extremely responsive to the online discussion format.

While it should be cautioned that convincing high-level, time-hungry respondents to take part in market research has not become a piece of cake overnight, the online focus group is a tool that is proven to increase access to senior respondents and engage their interest.

**10. Participation rates**

The fact that online focus groups can be spread over a period of days has great implications in terms of participation rates. In any face-to-face focus group, the researcher must seek a suitable time and venue at which to assemble the target audience. Inevitably, some invitees then have to pull out shortly before the group due to work or home pressures, traffic, etc.

An online group, however, can easily be worked into the respondent's day (or indeed his/her leisure time). There is no need for it to be booked in the diary at a specific time; the only restriction is that the respondent must be able to gain access to a computer and spare an hour or so in total over the course of the group. This has proved to be extremely beneficial to research agencies and clients alike. Firstly, the costs of recruiting respondents to online discussions are lower than for face-to-face discussions, as they occupy a much less rigid place in the diary. Secondly, once participants have been recruited, they are much less likely to pull out at the last minute due to extenuating circumstances, as they can simply take part in the discussion at a different time of day (or night).

**11. Introducing stimulae to the conversation**

In online discussions, we are limited to displaying stimulae on screen (stimulae can then of course be printed out by respondents). But for physical objects which we want the audience to touch, feel or smell, some kind of tangible contact between the respondent and the stimulus must be arranged.

Nevertheless, online focus groups can be extremely effective at providing on-screen visual stimulae to respondents. Questions can include embedded images, links to Web sites and uploaded documents in addition to links to video clips, sound files and other multimedia files. As with the questions themselves, respondents can look at the stimulae for as long and as frequently as they wish, taking time to consider their views before expressing them.

**12. Everyone has an equal say**

One of the major weaknesses of a conventional focus group is that they can be hijacked by two or three respondents who are dominant, extroverted or who enjoy using it as a platform for their views. The other six or seven respondents may say relatively little and their views get overlooked. In online focus groups the spread of comments from different respondents is more evenly distributed. Everybody gets their say and has time to say it.

It is also worth pointing out that in a conventional focus group it is difficult for a moderator to manage more than 10 people. Indeed a focus group with 10 people in it would be quite daunting to some respondents, who might choose to sit back and say very little. In an online focus group, respondents do not get stage fright as they are on their own and in the comfort of their office or home. They are not intimidated by their colleagues or by the strange venue with the viewing mirror and so are likely to open up more.

**13. Client participation**

In most cases, clients understandably wish to view focus groups firsthand, recognizing that this is an excellent means of hearing the target market's independent and honest views with their own ears. Most face-to-face focus groups are therefore conducted in viewing facilities with one-way mirrors.

In the case of an online focus group, viewing the proceedings as they happen is rather easier. Clients are provided with a user name and password, allowing them to view the conversation at any time of day or night. As online focus groups tend to take place over a couple of days, this allows the client to liaise with the agency and steer the conversation towards the areas that interest them most over the duration of the group.

## Not suited to every project

We have argued strongly in favor of online focus groups and discussed their merits in detail. Like any research tool, however, it must be acknowledged that online groups are not suited to every research project. In addition to the limitation with presenting physical stimulae for respondents to touch, feel or smell, it must be recognized that certain target audiences are less suited to online groups than others.

An obvious point is that the more Web-savvy the audience is, the more suited that audience is to the online focus group technique. IT managers are ideal participants for an online group, and office-based employees are, on the whole, extremely receptive to the technique and comfortable with the technology.

Non-technical, manual employees – particularly those who are advanced in years and those who are below management level – are the least responsive to, and as a general rule the least comfortable with, the technology. We would perhaps not expect an online focus group with farmers or miners to be enormously successful, and experience tells us that online groups with mechanics or other blue-collar workers, while achievable, result in a high number of technical queries during the project. Nevertheless, there are now extremely few target audiences that should be regarded as out of bounds for an online focus group.

It is also worth mentioning one or two limitations that online focus groups share with face-to-face groups. Firstly, recruitment is initially conducted by telephone, which is relatively labor-intensive and expensive. E-mail recruitment has a very low success ratio, as target audiences tend to regard invitations as junk mail. In business-to-business markets with a limited target audience, a target database that is often limited in accuracy and a complex decision-making unit to navigate, this technique is rarely viable. However, once the respondent has agreed to take part, contact from that point onward is online, with log-in details, a link to the site hosting the discussion and instructions on how to take part in the discussion all e-mailed to the respondent. A technical helpline is provided for the occasions when respondents have difficulty navigating the discussion.



Finally, many would argue that in certain situations, there can be no substitute for seeing and hearing a respondent give their views on one's product or service. Body language, tone of voice and other visual signals are simply not picked up by online research techniques.

## Increase the prominence

With worldwide expenditure on online research predicted to almost treble over the next three years, the future would appear to be bright for most online techniques. We predict that the following factors will increase the prominence and effectiveness of online focus groups:

- Businesspeople's increasingly busy schedules will make online focus groups a more viable option than face-to-face focus groups.
- Target audiences' increasing familiarity with bulletin boards and similar technologies - both in the workplace and socially - will make it easier to convince respondents to take part in online focus groups.
- We can expect a blurring of the line between online focus groups and online surveys, mirroring the blending of qualitative and quantitative research taking place across the research industry. We expect "super-groups" of up to 50 people to emerge, with a large number of closed "poll" questions supplementing the usual open-ended questioning. We may also see groups lasting a week or two in order to maximize response rates and cover a greater number of topics.
- The ability of audiences to take part in online focus groups will further increase as mobile phone technology becomes increasingly sophisticated and user-friendly, allowing participants to take part via their cell-phone handsets.
- Online discussions are likely to move further into traditional qualitative areas, with respondents using not only words but also emoticons, colors and shapes to express their moods and feelings as well as their views. This trend will be driven both by increasingly well-presented interfaces and by the growing familiarity of the target audience with bulletin board technology.
- Online focus groups are likely to incorporate high-resolution, moving graphics, particularly as stimulae for respondents. This will make online focus groups even more viable for product development research in particular.
- The immunity of online focus groups to geographical and time-zone restrictions means that online groups are likely to emerge as a useful opinion-tracking technique. It is far easier to reconvene a group of respondents online than it is in a focus group facility. The quantitative capabilities of online focus groups make them all the more suitable to tracking research.
- As the capabilities of online translation software increase, ultimately we would expect respondents speaking different languages to be able to participate in the same discussions via simultaneous translation tools. This will open a completely new frontier in international market research - for the first time respondents speaking different languages will be able to interact directly with each other. | Q

### Analyze B2B interviews

To read about a systematic approach to analyzing B2B interview transcripts, enter article ID 20090304 at www.quirks.com/articles.

business-to-business research

# Get to the point

## When using laddering in B2B research, target your probes effectively

By Bernadette DeLamar

Once, many years ago, I fell in love with an automobile – a brand ideal, I suppose, communicated by words and images that resonated strongly with my particular needs and values: my nerdiness, practicality and aspirations to "coolness." The October, 2009 article in *Quirk's* by Matt Schroder ("Getting to the bottom of things") on Infiniti's use of laddering brought this all vividly back to me – the joy of finding and buying (secondhand of course) that small, boxy, but totally cool German car that struck such a strong chord in my psyche during those first years out of grad school.

Shortly after reading the laddering article, I noted several posts from members of various research-related groups on LinkedIn inquiring about the use of laddering techniques in B2B studies. How, some asked, does one go about (or should one even try going about) using laddering techniques among business and professional respondents – among those whose emotive linkage to a brand or feature is mitigated by an intervening variable, that is, the company or organization for which decisions are made?

Purchasing professionals do not appear to "fall in love" with copy machines or printers or office supplies. IT professionals do not seem to be enthralled with their servers or desktops or enterprise software. And, as our professors drilled into us in business school, business decisions are and should be entirely rational. One can and should build a model, construct a cost-benefit analysis, assess ROI and possibly even work through a lease/buy decision tree. In addition, successful communications designed for the business audience must be feature/function-specific.

Yet, over the years, I have interviewed countless IT decision makers and PC end users who profess to "love" their software applications – IBM's Lotus Notes comes to mind for the creativity and collaboration the software enables, or, as another example, database administrators say they are "devoted to" their Oracle software for its power and flexibility. I've talked to software architects who profess to be "really excited" about a particular technology, as well as small-business people who are "totally thrilled" with the potential

### snapshot

**Responding to an October *Quirk's* article on using laddering in consumer research, the author adds her own insights on how to make laddering work in the B2B setting by adjusting the process to better meet a busy professional's mind-set.**

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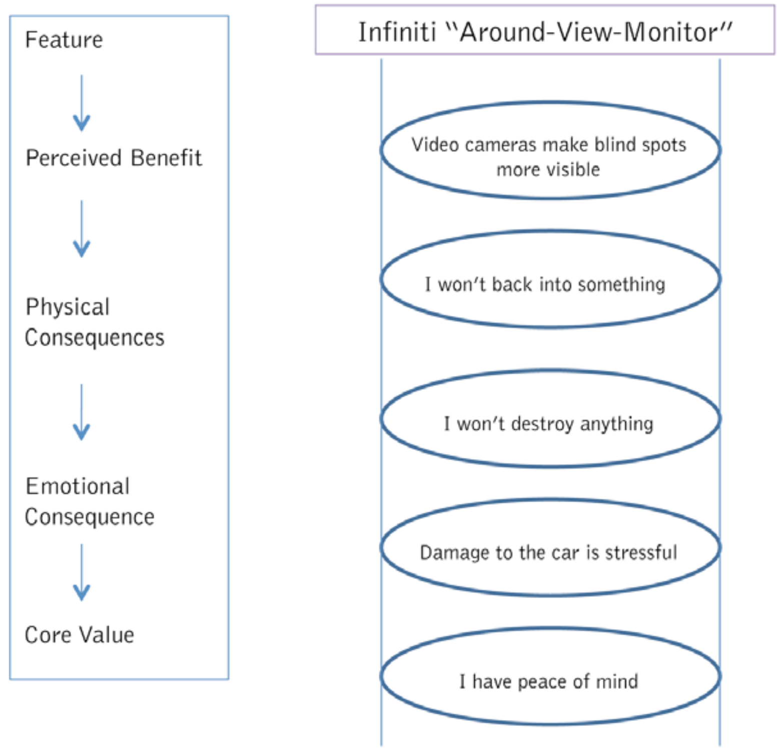
of new, speedier customer payment services.

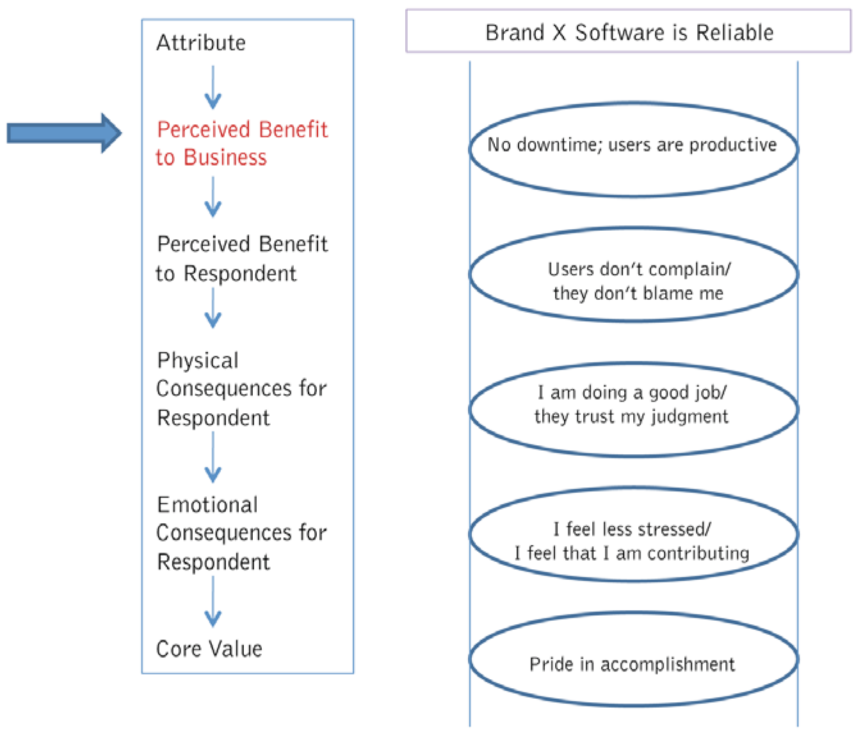
If purchase decision-making among brands, features, services, etc., in B2B markets is supposedly perfectly rational, how does one explain the presence and driving influence of such strong feelings, brand loyalties, etc.? Obviously, products, services and brands have consequences for both the company/organization for which they are purchased as well as for the individual or team doing the purchasing. The challenge to discovering these influences, then, is to connect the consequences to basic human motivations, emotions and values in such as way as to clearly delineate:

Figure 1: Consumer Ladder




- What does it matter to the organization? (Why is that important for your business?)
- How does that affect the respondent? (Why is that important to you?)

Figure 2: B2B Ladder




We need to understand how the rational attributes/features of our offerings link through intervening organizational benefits to the purchaser's core emotional benefits and values.

## Adapt the process

As Schroder explained in his article, laddering "…uses a series of probes (such as 'why is that important to you?') to generate means-end chains, or ladders, related to a product or service feature or attribute." The chart showing means-end chains illustrates the standard laddering process or framework.

To meet the challenges posed by laddering in B2B studies, we need to adapt the process to meet the more complex situations posed by business respondents. Experience has led me to the following adaptations:

- I clue in respondents as to what we are doing as well as the actual goal of the interview process itself.

- I add an additional layer to the chain (a "rung" to the ladder) wherein attributes are linked to the organization/business itself.
- I adhere to a more rigorous structure than we might with consumers, to forestall impatience and annoyance among these busy respondents.

| Means-End Chains | |
|---|---|
| Attributes: ↓ | Positive (or negative) characteristics spontaneously associated with a subject/brand/service/product. |
| Consequences: ↓ | Personal benefits (or problems) resulting from each attribute. |
| Core Values / Motivations: | Personal/emotional needs delivered by positive attributes (or blocked by negative attributes). |

**Cluing in respondents**

Business respondents typically come to a research interview or focus group wearing their rational business hats. They are quite used to evaluating products and services and even brands based on various rational criteria, e.g., return on investment, price/performance, product support offered, etc. They come to market research expecting questioning regarding their purchase criteria or process, or their evaluation of features, value, price, or their reaction to advertising, and so on. As with a consumer respondent, then, the moderator will want to clue in a business respondent that the interview will be a bit different from what might be expected. Beyond setting the stage and illustrating the laddering process, as we might do for a consumer, we have found that we need to provide an explicit explanation of our objective. For example: "To understand how Brand/Service/Product X affects you, personally, in your business and real life, and in what you have to accomplish every day."

A segue such as this typically works very well in easing a business respondent into the rather unusual laddering process that follows.

**Adding a rung to the ladder**

Climbing the rungs of the ladder, as illustrated in the Infiniti example cited in Schroder's article, is process of moving from attribute or feature through physical to emotional consequences to an emotional end state or core value for the respondent. If we were to illustrate the example from the article, it might look like the one shown in Figure 1.

In the case of B2B products and services, we need to add a rung to the ladder for the intervening variable that affects the respondent (or for which the respondent is making the purchase decision). We need to add a rung for the business or organization itself. The revised structure might now look like the one shown in Figure 2.

The question series now follows a more complex structure:

- What is the benefit of Attribute X for the business/organization?
- How does that benefit impact the respondent? (That is, what is its benefit for the respondent him/herself, or why is that important to the respondent?)

**Adhering to the structure**

Even among consumers, a relentless series of "Why is that important?" probes can lead to frustration and a desire to say anything just to get the drilling to stop. I surmise that the probes that great moderators actually use are something on the order of their "trade secrets." After all, it is common advice to avoid "why" questions in research, given that the response is often "Why not?"

The trade secret for business respondents, then, is a rigorous application of the questioning structure, together with a series of very targeted probes. A questioning series might proceed along this structure:

Regarding (Attribute/Feature) X:

- What is the benefit of that attribute/feature to your business?
- And how does that benefit you, personally?
- And when you have that benefit in your life, what is the consequence of that for you (or, what is the upside of that for you; or, for what reason is that meaningful/important to you)?
- And when that happens/exists, how does that make you feel?

The goal is to elicit responses until the respondent reaches an emotional end state such as security or happiness or accomplishment or peace of mind. As Schroder mentions, it is often useful to use the Maslow hierarchy of needs as a heuristic device for identifying such end states. And, because we are attempting to get the respondent to that last rung of the ladder, a response to "How does that make you feel?" on the order of "It makes me feel good" is not an acceptable endpoint. In this context, "good" needs refinement and definition through additional coaxing.

Applying the structure rigorously has proven highly successful among busy business professionals. Simply employing a series of seemingly directionless probes (e.g., Why is that important to you?) can leave respondents exasperated and uncooperative. Give them a structure, however, and they "get it." A few (perhaps two in 10) will complete laddering chains practically on their own without any probes. On the other hand, a different few (perhaps one in 10) will not get it at all, and never be able to reach even an emotional consequence, much less a core value or motivation, which is, of course, why we conduct multiple interviews.

## Break through the clutter

Given that so much of business marketing communications is feature/function-focused, and given that many business products/services are commodities, B2B marketers need a means to break through the clutter. The results of a laddering study can provide the content and imagery that will enable a brand/product/service to rise above the noise by connecting the rational features/attributes valued by the purchaser with his or her personal goals and motivations. | Q

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**Adept Consumer Testing**
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www.adeptconsumer.com

**AIS Market Research, Inc.**
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www.aismarketres.com

**Alan Newman Research**
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www.anr.com

**Amplitude Research, Inc.**
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www.amplituderesearch.com

**Anderson, Niebuhr & Associates., Inc.** » SEE AD 45
651-486-8712
www.ana-inc.com

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www.aocresearch.com

**Applied Marketing Research, Inc.**
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www.appliedmr.com

**Authentic Response**
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www.authenticresponse.com

**Axiom Research**
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www.axiom-mr.com

**B2B International Ltd.** » SEE AD 52
44-161-440-6000
www.b2binternational.com

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602-258-4554
www.brc-research.com

**Blackstone Group**
312-419-0400
www.bgglobal.com

**Boston Research & Comm., Inc.**
617-926-2003
www.bostonrc.com

**Bourget Research Group**
860-242-7665
www.bourgetresearch.com

**Brian Cable & Associates**
61-2-9416-2944

**Burke, Incorporated** » SEE AD 43
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www.burke.com

**Business Advantage Grp. PLC**
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**C&R Research Services, Inc.**
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www.crresearch.com

**Campos Market Research, Inc.**
D/B/A Campos Inc
412-471-8484 x309
www.campos.com

**Cascade Insights**
503-898-0004
www.cascadeinsights.com

**Centrac DC, LLC**
301-840-3850
www.centracDC.com

**Charles, Charles & Ascts. Inc.**
602-870-2958
www.charlescharles.com

**Cint USA**
347-754-0712
www.cint.com/cpx

**Clear Seas Research**
248-786-1683
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**Clearworks**
888-769-3807
www.clearworks.net

**CMC Research Associates**
203-968-9419
www.cmcresearchassociates.com

**ComSim, Inc.**
203-336-3360
www.comsim.com

**Consumer Contact**
800-461-3924
www.consumercontact.com

**Consumer Focus LLC**
972-378-9697
www.consumerfocusco.com

**Cooper Roberts Research, Inc.**
415-442-5890
www.cooper-roberts.com

**Copernicus Marketing Consulting and Research**
781-392-2500
www.copernicusmarketing.com

**Corona Insights**
303-894-8246
www.coronainsights.com

**Critical Insights, Inc.**
207-772-4011
www.criticalinsights.com/

**CSI International**
49-231-54505-0
www.csi-international.de

**Customer Foresight Group, Ltd.**
416-651-0143
www.customerforesight.com

**Customer Lifecycle, LLC**
856-910-8220
www.customerlifecycle.us

**DataPrompt International**
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www.datapromptintl.com

**Definity Research, Inc.**
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**Diagnostics Plus, Inc.**
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www.diagnosticsplus.com

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www.startadialogue.com

**The Dieringer Research Group, Inc.**
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www.thedrg.com/quirks

**Directions In Research, Inc.**
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**Doyle Research Associates, Inc.**
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www.efgresearch.com

**Elemental Data Collection, Inc.**
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www.elementaldci.com

**e-Rewards Market Research** » SEE AD 59
888-203-6245
www.e-rewardsresearch.com

**FBInnovation GmbH**
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www.fbinnovation.de

**Fieldwork Chicago, Inc.**
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**First Insights**
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www.firstinsights.com

**Fisher Marketing Intelligence, Inc.**
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**Focus Centre of Chicago, Inc.**
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**Focus Market Research**
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**Focus World International, Inc.**
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www.focusworldinternational.com

**FOCUSCOPE, Inc.**
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www.ic-mr.com

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www.icrsurvey.com

**IMAGES Market Research**
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www.imagesusa.net

**IMR Research Group, Inc.**
704-374-1333
www.imrgroupinc.com

**Infosurv, Inc.**
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www.infosurv.com/

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www.insighteurope.de

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www.isurusmrc.com

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**KRC Research**
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**Leibowitz Mkt. Rsch. Ascts., Inc.**
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www.leibowitz-research.com

**Leibowitz Marketing Services Inc.**
212-292-4431
www.leibowitzmarketing.com

**Lightspeed Research**
908-630-0542
www.lightspeedresearch.com

**The Livingston Grp. for Mktg.**
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www.tlgonline.com

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www.MARCresearch.com/strong

**Maritz Research** » SEE AD 17
877-4-MARITZ
www.maritzresearch.com

**Market Analytics Int'l., Inc.**
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www.marketanalytics.com

**Market Connections, Inc.**
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www.marketconnectionsinc.com

**Market Decisions Corporation**
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www.mdcresearch.com

**Market Research Dallas**
972-239-5382
www.marketresearchdallas.com

**Market Resource Associates, Inc.**
800-795-3056
www.mraonline.com

**Marketing Leverage, Inc.**
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www.marketingleverage.com

**Marketlab, Inc.**
707-967-1144
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**MarketSearch**
501-604-3017
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**MarketWise Insights, Inc.**
303-659-8061
www.marketwiseinsights.com

**The Martec Group - Green Bay**
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www.martecgreenbay.com

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**MAXimum Research, Inc.**
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**Millennium Research, Inc.**
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www.millenniumresearchinc.com

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www.millwardbrown.com

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www.mindsharecenter.com

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www.mo-web.net

**MRSI**
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www.mrsi.com

**The MSR Group**
402-392-0755
www.themsrgroup.com

**Murphy Marketing Research/ TrendTown**
262-236-0194
www.murphymarketing.com

**National Data Research, Inc.**
847-501-3200
www.national-data.net

**National Opinion Research Svces.**
305-553-8585
www.nors.com

**National Service Research**
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www.nationalserviceresearch.com

**Next Level Research**
770-609-5500
www.NextLevelResearch.com

**Nichols Research - Sunnyvale**
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www.nicholsresearch.com

**Observation Baltimore**
410-332-0400
www.observationbaltimore.com

**OMI Online Market Intelligence**
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**Persuadable Research Corp.**
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**ReRez**
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www.rerez.com

**The Research Edge, LLC**
651-644-6006
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**The Research House**
44-20-7935-4979
www.research-house.co.uk

**Research & Marketing Strategies, Inc.**
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www.RMSresults.com

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www.resmanage.com

**Research Strategies, Inc.**
251-660-2910
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**Resolution Research & Marketing, Inc.®**
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**StrataMark Dynamic Solutions**
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**Survey Sampling International**
203-567-7200
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**Survey Service, Inc**
800-507-7969
www.surveyservice.com

**Survey Technology & Research Center (STR)**
800-482-3550
www.strcenter.com

**Targoz Strategic Marketing**
615-498-7997
www.targoz.com

**TARP Worldwide**
703-524-1456
www.tarp.com

**Tele-Surveys Plus Inc.**
514-392-4702
www.tsp.ca

**Threshold Information, Inc.**
847-433-8306
www.threshinfo.com

**Ugam Research**
44-20-7803-1489
www.ugamresearch.com

**uSamp™ (United Sample, Inc.)**
818-524-1218
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**User Insight**
770-391-1099
www.uifacilities.com

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281-893-1010 x101
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**WorldOne Research**
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automotive research

# Driving yourself out of business

## For shuttered car dealerships, poor satisfaction scores often portended the end of the line


By David Ensing

As has been widely reported, there is an overcapacity of automobile dealerships in the United States, especially for the U.S. domestic brands. This overcapacity is due to U.S. manufacturers' declining market share over the past two decades and the dramatic decline in the overall vehicle market. According to *Automotive News*, U.S. light vehicle sales declined from 16.6 million units in 2006 to 16.2 million units in 2007 to 13.2 million units in 2008. This is a decline of 20 percent in two years, with the vast majority of those losses occurring in 2008. Furthermore, U.S. light vehicle sales for 2009 were 10.4 million units, a drop of another 21 percent from 2008.

U.S.-branded dealerships are currently experiencing a weeding out process. Approximately one in every 15 (6.5 percent) U.S.-branded dealerships went out of business in 2008 primarily due to financial difficulties caused by fewer sales and service events. This process continued in 2009 due to both the difficult automotive environment and automotive manufacturers' planned reductions of their dealership networks.

Maritz Research conducted a study to determine the relationship between customer satisfaction and dealerships going out of business during this period of market decline. We also examined the relationship between retail sales volume and dealers going out of business as a comparison metric because sales volume is often seen as being most important to a dealership's profitability and sustainability. To examine these relationships we identified 970 dealerships that went out of business during 2008. These dealerships represented the vast majority of all the U.S. dealerships that went out of business during this time period. We focused on 2008 because dealership closings were primarily market-driven, as opposed to 2009 when many closings were manufacturer-mandated.

To conduct the analysis we gathered 2006 and 2007 annual retail sales and customer satisfaction statistics for each manufacturer's dealerships and compared these statistics for dealerships that went out of business to those that remained open in 2008. Both 2006 and 2007 statistics were used because we felt some dealerships might have

**snapshot**

A comparison of satisfaction and sales data shows that as auto dealers find themselves fighting harder and harder for revenues from car sales and repair work, the importance of maintaining customer satisfaction looms large.


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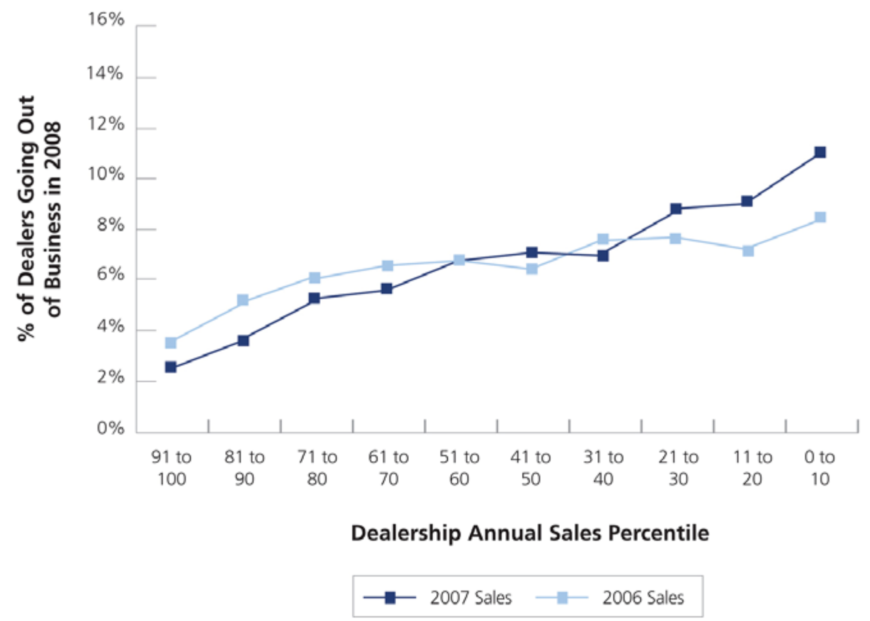
Figure 1




begun the process of going out of business during 2007 or cut back on customer service in anticipation of going out of business and that may have affected their scores.

Each manufacturer currently conducts its own unique customer satisfaction program using its own unique scale so it is not possible to directly compare scores from one manufacturer's dealerships to those of a different manufacturer. To address this problem, we focused on dealerships' relative rankings within each manufacturer. Thus, two dealers who fell at the 25th percentile within their respective manufacturers' dealerships were considered equivalent even though their raw scores were likely to be different. We then split dealers into 10 equal groups according to their customer satisfaction rankings (i.e., top 10 percent, next 10 percent, etc.) and annual retail sales and examined the rates at which dealerships went out of business across each decile.

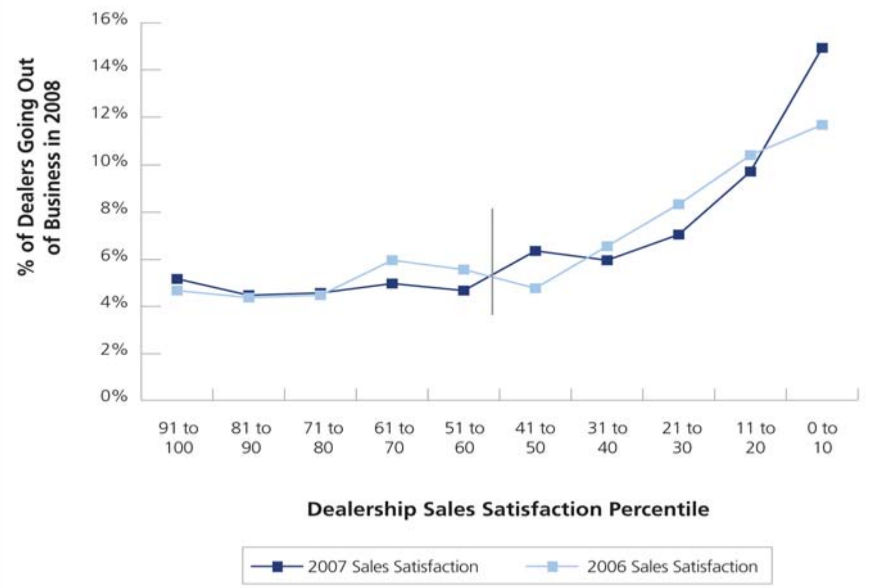
## Significantly lower

Dealerships that went out of business during 2008 had significantly lower annual sales, lower customer sales satisfaction and lower customer service satisfaction scores in both 2006 and 2007 than dealerships that remained in business. Interestingly, while dealerships that went out of business were below average on all these measures, they were about twice as much more below average on customer sales satisfaction than they were on annual retail sales volume and customer service satisfaction.

Looking at the rate at which dealerships went out of business depending on their 2006 and 2007 annual sales and customer satisfaction performance provided some interesting findings. We see a fairly linear and dramatic relationship between dealer annual sales volumes in 2006 and 2007 and the rate at which they went out of business (Figure 1). Dealers in the bottom 10 percent in 2007 retail sales volume went out of business at a rate 4.2 times greater than those in the top 10 percent; for 2006 they went out of business at a rate 2.4 times greater than dealers in the top 10 percent.

Using the same technique, we looked at the rate at which dealerships with varying levels of 2006 and 2007 customer satisfaction scores went out of business. The overall results revealed that the bottom 10 percent of dealers in 2007 sales satisfaction went out of business at a rate almost three times that of those in the top 10 percent. For 2006 sales satisfaction those in the bottom 10 percent went out of

Figure 2

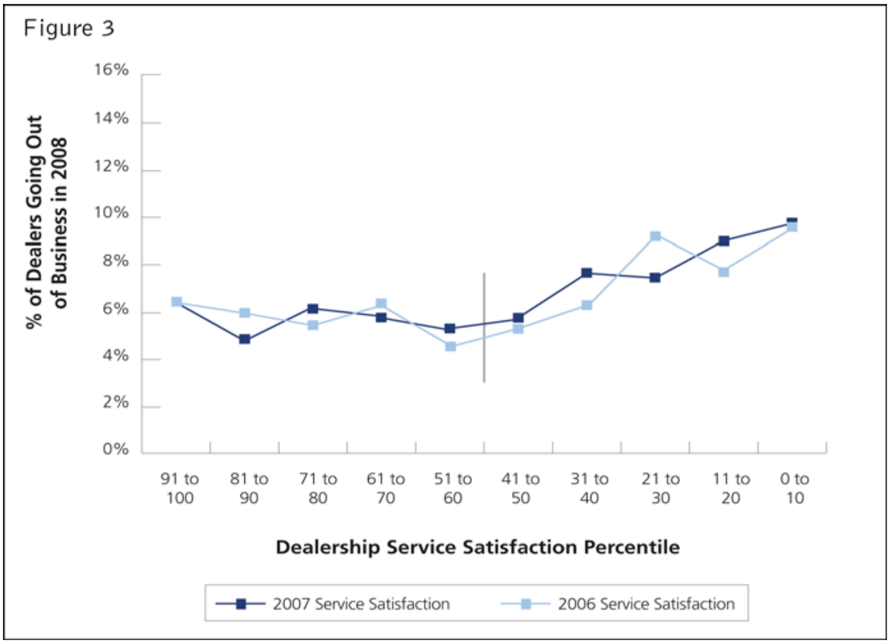


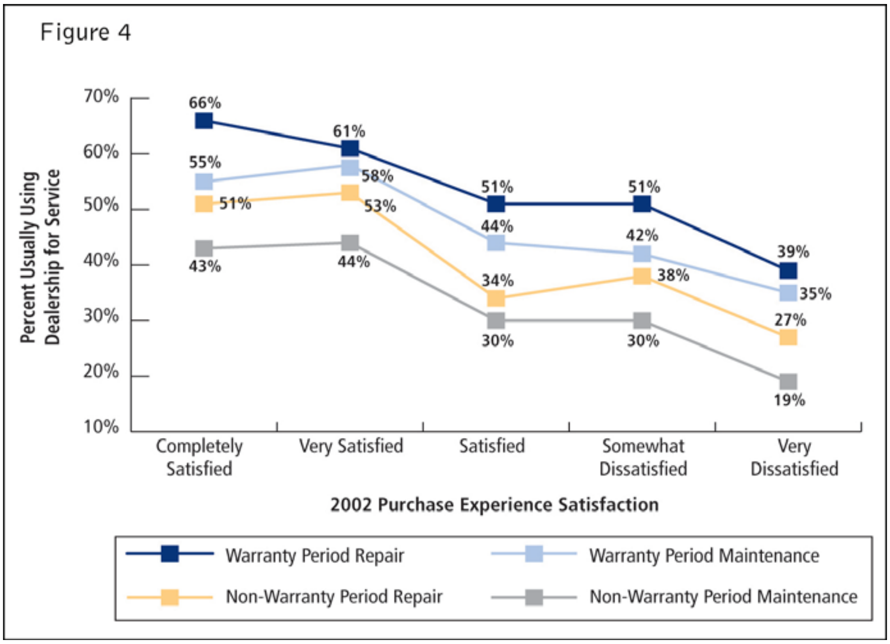

business at a rate 2.5 times of those in the top 10 percent. Results were similar for 2006 and 2007 service satisfaction but the effect was less dramatic. Dealerships in the bottom 10 percent in service satisfaction in both 2006 and 2007 went out of business at a rate 1.5 times greater than those in the top 10 percent.

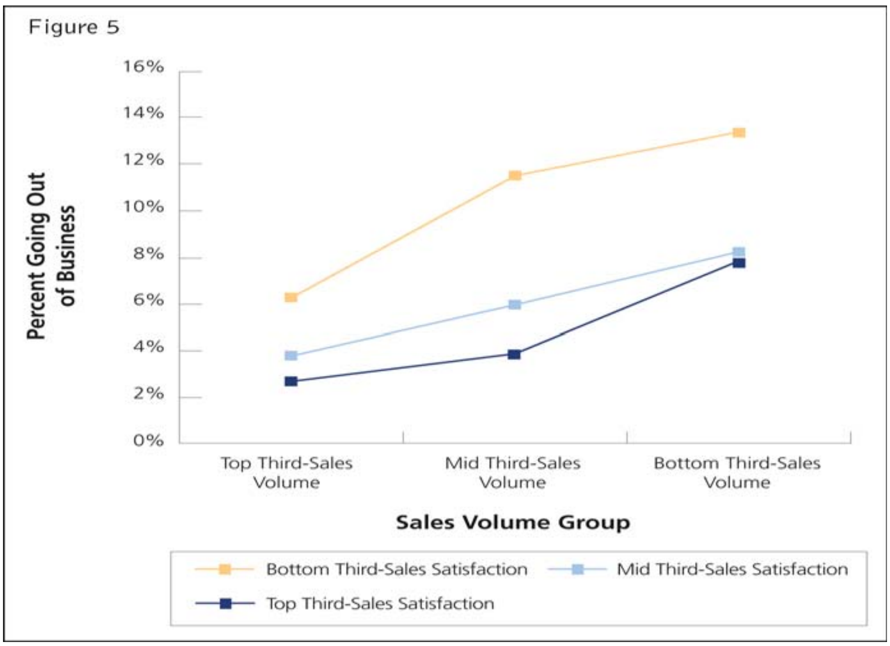
What is perhaps more interesting is that in both these cases the overall effects are primarily driven by increases in the rate at which dealerships go out of business when they fall in the last five performance groups. As can be seen in Figures 2 and 3, the rates at which dealerships go out of business are relatively flat over the first five sales and service satisfaction groups. However, rates of going out of business escalate dramatically for the lower-performing groups, especially for sales satisfaction. This seems to indicate that a certain level of satisfaction is enough to maintain a dealership's sustainability, but low levels of satisfaction are severely detrimental to it.

These charts bring up an interesting question: Why would sales satisfaction relate more strongly to dealerships going out of business than service satisfaction? One possibility might be that a poor sales experience not only affects sales-to-sales loyalty but it also affects sales-to-service loyalty. In other words, if customers are upset with the sales experience, they tend not to return to that dealership for service work. Therefore, the dealership misses out on a vehicle lifetime of service revenues and profits for those customers. This idea is supported by findings from a previous study Maritz Research conducted (the 2008 Maritz Loyalty Study) in which we related customers' 2002 ratings of their dealership sales experiences to their 2007 reports of where they usually had self-pay service work performed on those vehicles. As can be seen in Figure 4, use of the selling dealership for service work drops precipitously across levels of dealership sales satisfaction.

While these findings show that sales volume, sales satisfaction and, to a lesser extent, service satisfaction are positively related to dealerships' ability to remain in business during tough economic times, we also wanted to look at the possible interactive relationships between sales volume and customer satisfaction. In other words, when it comes to staying in business, does customer satisfaction matter more for higher- or lower-volume dealers? Indeed, it does. We grouped dealerships into nine groups based




on their being in the top-third, middle-third and lower-third of dealerships for 2007 sales volume and 2007 sales satisfaction. In Figure 5 you can see that while lower satisfaction is associated with higher rates of going out of business for all three volume tiers of dealerships, it is especially so for mid- and lower-volume dealerships.

These results make intuitive sense. Larger-volume dealerships probably have more of a cushion to work from – each customer lost due to poor satisfaction is a small percentage of their customer base and therefore affects their bottom line less. However, as these dealerships become smaller and smaller, either due to the overall vehicle market decline or due to customer attrition because of poor customer service, customer satisfaction matters more and more.

## Patterns differ

While it appears that both high annual sales volume and high customer satisfaction protect dealerships from going out of business when the vehicle market declines, the patterns of these relationships differ. There appears to be a gradual and linear relationship between annual sales and the likelihood of a dealership going out of business, with smaller dealers more likely to go out of business than larger dealers.

The relationship between customer satisfaction and dealerships going out of business is relatively flat over the top-performing dealerships, but accelerates dramatically as dealers go from mid-performance to low-performance. This is especially true for sales satisfaction. Finally, when it comes to staying in business, customer satisfaction seems especially important for lower- and mid-volume dealers. | Q

### The road ahead for car makers

Enter article ID 20091005 at www.quirks.com/articles to read insights on the struggling car business from three industry researchers.

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director of the insurance practice at J.D. Power and Associates. "Although satisfying home claimants is particularly challenging, it's still crucial for insurance providers to meet the needs of these customers, given the significant impact the experience has on long-term policy retention."

Higher levels of satisfaction with the home claims experience have a positive impact on customer loyalty and advocacy. Among customers of insurers that achieve high satisfaction scores (averaging 837 or higher), two-thirds say they definitely will renew their policy, while 64 percent say they definitely will recommend the insurer. In contrast, among customers of insurers with lower levels of satisfaction (scores averaging 816 or below), only 49 percent say they definitely will renew and 42 percent say they definitely will recommend the insurer.

"While only about 6 percent of homeowners insurance customers per year file a home claim, for those who do, no other aspect of the experience with their insurer is more meaningful," says Bowler.

Insurers have the opportunity to improve customer satisfaction during the first notice of loss and settlement portions of the claims process. During the first notice of loss process, fewer than three-fourths of home claimants indicate that the insurer provided an explanation of their policy coverage, compared with 81 percent of auto claimants.

During the settlement process, claimants' lack of understanding regarding their policy coverage often leads to negotiated settlements. Twenty-two percent of home claimants report negotiating the settlement amount, while just 11 percent of auto claimants say the same.

"The negotiation process tends to be difficult and stressful and often leads most customers to become dissatisfied with their claims experience," says Bowler. "On average, satisfaction among home claimants who negotiate their settlement is 117 points lower than among those who didn't negotiate. By thoroughly explaining the limitations of the policy coverage and fully managing customer expectations, insurance companies may be able to lower the number of negotiations and improve claimant satisfaction considerably." For more information visit www.jdpower.com.

## Facebook not a threat to success in college

Parents worried that their college students are spending too much time on Facebook and other social networking sites and not enough time hitting the books can breathe a sigh of relief. Research from the University of New Hampshire (UNH), Durham, finds that while 96 percent of students use Facebook, students who heavily engage in social networking do just as well academically as students who are less interested in keeping in touch through the medium.

"The study indicates that social media is being integrated with rather than interfering with students' academic lives," says UNH adjunct professor Chuck Martin, whose marketing research class conducted the study. "College students have grown up with social networks, and the study shows they are now simply part of how students interact with each other with no apparent impact on grades."

Students at the UNH Whittemore School of Business surveyed 1,127 UNH students from a range of majors. The research shows that there is no correlation between the amount of time students spend using social media and their grades. Grades followed similar distributions for all colleges, with the majority of students having As and Bs.

Researchers defined light users of social media as usage fewer than 31 minutes per day. Heavy usage was defined as usage exceeding 61 minutes per day. Researchers defined high grades as As and As and Bs; and lower grades as Bs and lower. For the purpose of the study, social media was defined as Facebook, YouTube, blogs, Twitter, MySpace or LinkedIn.

Sixty-three percent of heavy users received high grades, compared to 65 percent of light users. Researchers found similar results with lower grades. While 37 percent of heavy users of social media received what were defined as lower grades, 35 percent of light users received fell into that same category.

The study also showed that Facebook and YouTube are the most popular social media platforms with college students, with 96 percent of students saying they use Facebook and 84 percent saying they use YouTube. Only 20 percent use blogs, 14 percent use Twitter, 12 percent use MySpace and 10 percent use LinkedIn.

In addition, 43 percent of those surveyed said they have increased their usage of social media from a year ago, 8 percent of them significantly. Thirty-nine percent of students said they have not changed their use of social media, while 18 percent said their use has decreased, including three percent who said it had significantly decreased.

The majority of students said they use social networks for social reasons (89 percent) and entertainment (79 percent). About a quarter of students said they use social media for educational reasons and 16 percent for professional reasons. For more information visit www.unh.edu/news.

## Online content - what will we pay for?

The big question in the new Internet decade is whether consumers will pay for content online. It turns out that millions of global consumers are, in fact, willing to pay up - but not for everything. Consumers show a higher propensity to pay for music, movies, games and professionally-produced video than for podcasts, blogs or consumer-generated video. For example, consumers are three times as likely to pay for online music than for a blog, according to a 54-country study conducted by New York researcher The Nielsen company. Likewise, they are more inclined to spend money on what they already pay for rather than on what they currently get for free.

Of the global online consumers, 57 percent have paid or would consider paying for music; 57 percent for theatrical movies; 51 percent for games; 50 percent for professionally-produced video (including current television shows); 49 percent for magazines; 42 percent for newspapers; 36 percent for Internet-only news sources; 32 percent for radio (music); 28 percent for podcasts; 28 percent for social communities; 26 percent for radio (news/talk); 24 percent for consumer-generated video; and 20 percent for blogs.

Overall willingness to pay for online content may surprise some, but more surprising yet is the extent to which consumers in some markets are still open to more advertising. Nearly half (47 percent) of global respondents said they would put up with more ads to subsidize free content, but that willingness swings by market. While 57 percent of respondents in the Middle East, Africa and Pakistan are open to the more advertising - as are 55 percent of those in Asia-Pacific - just 40 percent of North America respondents and 39 percent of European respondents agree. For more information visit www.nielsen.com.

## Kid nutrition: do as mom says, not as she does

Healthy eating is on the minds of many moms, but it's their eating habits and nutritional knowledge that have the most bearing on what their children eat, even when moms aren't eating the healthy food they peddle. The What's on the Minds of Moms and How Are They Coping? study from Port Washington, N.Y., research company The NPD Group found that in households with kids, when the adult female has a good Healthy Eating Index (HEI), a measure of diet quality similar to federal dietary guidance, the majority of kids in the household are eating just as well.

Although moms' healthy eating behaviors impact how their children eat, moms' attitudes about nutritional eating often do not necessarily align with actual behavior. Three-fourths of new moms and 65 percent of experienced moms say they actively seek out foods with nutrition benefits. However, moms are less likely to actually consume foods with nutrition benefits.

Moms also give themselves high marks when it comes to nutritional and healthy eating knowledge. Sixty-seven percent of moms feel they are extremely or very knowledgeable about nutrition and eating, and 81 percent of moms feel they are the primary source for nutritional education for their children. Yet when moms are asked to assess their children's level of nutritional knowledge, few ranked their children extremely or very knowledgeable, a little over half of children 6-17 years old were considered somewhat knowledgeable. One-fourth of moms considered their children 6-12 years old not very knowledgeable. For more information visit www.npd.com.

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intent. The studies are incorporated into video advertising campaign buys, and all statistics, reporting and insights are integrated into TidalTV's standard campaign reports. The data gained from BrandScore is designed to optimize and maximize performance against competing advertisers' branding objectives. For more information visit www.tidaltv.com.

## Online customer community-created offering launched

San Francisco research company MarketTools Inc. has launched MarketTools Community Manager, a product intended to rapidly create and deploy online customer communities. It allows organizations to engage in real-time conversations with current or target customers to gain insights. The offering is also equipped with a feature set that includes forums and discussions; stories and articles; blogs; image and video galleries; and text analysis. It is fully integrated with MarketTools Survey Manager, MarketTools Panel Manager and MarketTools CustomerSat. The tool is available via subscription with no hardware or software to install. For more information visit www.markettools.com/communities.

## Keynote debuts online insight and trending service

San Mateo, Calif., measurement company Keynote Systems has launched Keynote Visitor Insights, an on-demand service for real-time monitoring of Web site visitor feedback and interactions. Visitor Insights introduces a combination of features intended to allow marketing departments to communicate customer feedback. The service requires no site instrumentation, and visitors are presented with an invitation to participate. All data is securely hosted and available through a reporting portal. Additionally, research analyst support is included to aid in setup and to compile customized monthly insight reports.

With Visitor Insights, Web site visitors voluntarily participate, provide feedback, answer questions and offer opinions while their navigation choices are linked to these responses. In addition to the solicited responses and spontaneous feedback, the service collects the navigational behavior metrics of participants, much like the data in a Web analytics package. The online portal and monthly deliverables provide both point-in-time and trending details. For more information visit www.keynote.com.

## WiseWindow launches social media mining tool

WiseWindow, an Irvine, Calif., business intelligence company, has introduced Mass Opinion Business Intelligence, a Web measurement and mining tool designed to collect and analyze opinions expressed in social media daily; identify those that relate to and are pertinent to a given company and product; and refine those opinions into actionable reports for decision makers. Mass Opinion Business Intelligence is powered by 10 standard syndicated reports that track what customers think, what they want, who they follow and what they'll buy now and in the future. For more information visit www.wisewindow.com.

## Briefly

Retired research veteran Karole Friemann has made available online her project management training and tools for researchers conducting primary (custom) market research. The tools are free of charge and can be downloaded at http://sites.google.com/site/marketresearch2020site/home.

Orem, Utah, research company Western Wats has expanded its online research panel, Opinion Outpost, to include Café d'Opinion, Centro de Opinion and Opinion Outpost UK. These three panels access the French-Canadian, Hispanic and British markets, respectively, and use the same recruiting techniques, opt-in processes, incentive programs, member profiling, contact frequency and quality control measures already in place. For more information visit www.westernwats.com.

Menlo Park, Calif., research company Knowledge Networks - Dimestore Media has expanded its capabilities to allow publishers, networks and agencies to use a real-time data transfer of respondent-level survey results to inform ad targeting decisions, optimize campaigns in-flight and build new user segments. For more information visit www.knowledgenetworks.com.

San Francisco research company Peanut Labs has made Optimus, its digital fingerprinting software designed to eliminate fraudulent online responses, available at no cost to researchers. For more information visit www.peanutlabs.com.

Snap Surveys, a Portsmouth, N.H., research company, has partnered with the Health and Safety Laboratory (HSL) in the U.K. to streamline the application of the HSL Safety Climate Tool, a questionnaire-based survey solution designed to explore attitudes toward and perceptions of health and safety within organizations to allow them to benchmark and improve safety performance. For more information visit www.snapsurveys.com.

Cologne, Germany, research company Globalpark has debuted EFS Mobile Access, a feature designed to allow researchers to activate and monitor survey projects using a mobile phone. The interface will show research results in progress and display field report details. The platform is accessible by mobile Web to send invitations and manipulate quotas. For more information visit www.globalpark.com.

The Marketing Research Association, Glastonbury, Conn., has launched a blog called The Researcher's Perspective - Thoughts and Opinions of the MR Industry. The blog will be updated weekly, with regular contributions from industry experts. Readers can subscribe to have blog updates sent directly to them. For more information visit www.mra-net.org/perspective.

Garcia Research, Burbank, Calif., and Los Angeles brand consultancy Santiago ROI have launched Latinomics, The Hispanic Market Index, a tracking service that aims to monitor consumer sentiment, economic activity, political perspectives and other issues within the U.S. Hispanic community. For more information visit www.garciaresearch.com.

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**Chime Communications**, London, has acquired London research company **Tree** for £2 million.

Stamford, Conn., research company **Gartner Inc.** has acquired Midvale, Utah, research company **Burton Group Inc.** for approximately $56 million in cash.

London research company **dunnhumby** has acquired Florham Park, N.J., research company **KSS Retail**. KSS Retail will operate as an independent business unit of dunnhumby and maintain its existing management structure.

**Decision Resources Inc.**, a Waltham, Mass., research company, has acquired **BioTrends Research Group**, Exton, Pa. BioTrends will continue operations in Exton.

Dallas research company **e-Rewards Inc.** has completed its acquisition of **Research Now**, London, making it a wholly-owned subsidiary of e-Rewards. In the U.S. the combined business will operate using the e-Rewards brand, while outside the U.S. the company will operate under the Research Now brand.

## Alliances/strategic partnerships

**Bark Group Inc.**, a Copenhagen, Denmark, advertising company, has partnered with **Mindmetic**, a London research company. Bark plans to use Mindmetic's neuromarketing research technology in its marketing campaigns and advertisements.

Westport, Conn., research company **RelevantView** has merged with Westport, Conn., technology firm **Imperium**. The partnership will allow Imperium to offer RelevantID, RelevantView's digital fingerprinting solution for data quality, to its clients. The merger will not change the management or ownership of either company.

## Association/organization news

**Judi Hess** has been elected secretary of the global board of the **Mystery Shopping Providers Association**, Dallas.

## Awards/rankings

Columbia, Md., research company **Arbitron Inc.** received an Emmy Award for Broadcast Audience Measurement Technology for its Portable People Meter technology by the **National Academy of Television Arts and Sciences**, North Hollywood, Calif., at the Annual Technology and Engineering Emmy Awards.

## New accounts/projects

**Virtual Surveys**, a Hampshire, U.K., research company has been reelected by Wilmington, Del., banking institution **ING Direct** to conduct its customer satisfaction research for 2010.

Milford, Conn., restaurant chain **Subway** has chosen Milford Keynes, U.K., research company **Retail Eyes** to manage its Customer Experience Improvement Program, which includes mystery shopping visits to Subway stores in the U.K. and developing a reporting system for the organization. Retail Eyes has carried out the project for the past five years.

Robert Moran of **StrategyOne**, a Washington, D.C., research company, has launched www.futureofinsight.com, a Web site dedicated to exploring possible, probable and preferred futures for market research.

Columbia, Md., research company **Arbitron Inc.** has committed to continue estimating radio audiences in the New Orleans local market using its diary methodology. Arbitron previously had planned to use its Portable People Meter radio ratings service to produce audience estimates in New Orleans beginning in late 2010.

## New companies/new divisions/relocations/expansions

London research company **TNS-BMRB** has launched a U.K. Social and Political Attitudes unit. The division will focus on tracking social and political trends and exploring U.K. social issues and their relationship to voting intentions. Each month respondents will be interviewed by telephone, in person or online using TNS' omnibus capabilities.

**Motif Inc.**, a Sunnyvale, Calif., research outsourcing company, opened a service center in Costa Rica.

**Burrell Communications**, Chicago, has formed **Threshold Nation**, an agency designed to explore the lifestyle of the multiethnic urban male consumer age 18-34.

**Market Fusion Analytics**, a New York research consultancy, has opened offices in Mexico City; Buenos Aires, Argentina; and Sao Paulo, Brazil.

Guarav Oberoi and Charles Groom have launched **Precision Polling**, a Seattle research company intended to allow customers to design a survey on the Web and automatically field it to a list of telephone numbers.

**Insight Marketing Communications Inc.**, a Navarre, Fla., research and marketing company, has opened a location to serve the Bay County, Fla., area.

**Millennium Research** has moved its offices from Apple Valley, Minn., to Minneapolis. The firm is located at 3648 Cedar Ave. S., #2, Minneapolis, 55407, and can be reached at 612-724-8687.

## Research company earnings/financial news

San Francisco research company **Quantcast** raised $27.5 million in a Series C funding round led by investment firms **Cisco Systems**, Middlesex, U.K.; **Polaris Venture Partners**, Waltham, Mass; **The Founders Fund**, San Francisco; and **Revolution Ventures**, San Mateo, Calif. The Series C round brings the total of capital injected into the analytics company to $53.2 million. Quantcast will use the extra funding to support its Quantcast Media Program.

Framingham, Mass., research company **Kadence International's** insight division grew its revenue by 20 percent during the 2008-2009 financial year. The company also reported overall growth of 9 percent to $11.3 million. Kadence Asian market services in Indonesia and Malaysia achieved 89 percent and 45 percent revenue growth, respectively. U.K. sales also rose 40 percent.

# index of advertisers

trade talk

By Joseph Rydholm
Quirk's editor

# New-product survey plumbs consumer mind-sets

A recent press release on the winners of an award for best new product had some interesting insights into current consumer psychology.

In conjunction with the Better Homes and Gardens Best New Product Awards, Toronto-based BrandSpark International surveyed more than 50,000 U.S. consumers on topics such as: recessionary shopping behavior, healthy eating, future spending priorities, private labels versus premium brands, organic and natural foods, environmental accountability and money-saving strategies.

Looking at the findings, it's clear that private label is still hot, skepticism surrounds environmental claims and natural foods may give organic ones a run for their money.

"We can see the impact of the recession on attitudes towards the environment and health - with both losing ground in terms of importance," said Robert Levy, president and CEO of BrandSpark International and founder of the Best New Product Awards, in the press release. "People have made a big shift to eat at home more and as a result are spending more time and money in the grocery store. Finding new products that really deliver is more important than ever, especially with shoppers demanding greater value for money."

Conducted October 12 to December 8, 2009, the BrandSpark American Shopper Study included questions about individual product appeal, intent to repurchase, consumer confidence level and expected future spending habits, among other topics.

For this edition of the awards, 135 products were evaluated, with 42 winners chosen from 55 manufacturers in categories that included cereal, juice, ice cream, anti-aging skin care, oral care, shampoo and household cleaners. Each category had a minimum of three products from at least two different manufacturers. In order to win, the product had to have the highest combined score on repurchase intent among those who had previously purchased the product and product appeal.

(The winners, by the way, were as follows. Best in health and beauty category and best in show: Olay Professional Pro-X Wrinkle Protocol. Best in food and beverage category: Yoplait Smoothie. Best in household care category: Cascade Complete All-in-1 Action Pacs. A complete list can be found at www.bestnewproductawards.biz.)

What are the top five purchase drivers for consumers?

In the food and beverage category:

1. Taste
2. Price
3. Fresh
4. Looks appetizing
5. Smells good

In health and beauty:

1. Price
2. Proven effective
3. Simple to use
4. Trusted brand
5. Allergy-tested

In household products:

1. Cleans thoroughly
2. Price
3. Effective
4. Delivers as promised
5. Works the first time

### As good as brand-name products

The uptick in the use of private-label products shows no signs of abating, according to the study's findings: 59 percent of Americans think that private-label or store-brand products are just as good as brand-name products; 66 percent of those surveyed believe that private-label brands are usually an extremely good value for money; 56 percent have purchased more private-label products in the past 12 months.

The survey also gathered opinions on two other much-discussed topics: green marketing and organic foods. "Over the past number of years, we have seen environmental accountability grow to be a major concern for American consumers," said Levy. "However, we have also seen the impact of the economy on environmental attitudes."

Seventy-seven percent of Americans still feel that companies are exploiting green claims for marketing purposes. Packaging remains a top environmental concern for consumers, with 75 percent believing that manufacturers still have a long way to go to reduce the amount of packaging. Fifty-two percent of Americans feel it's important that a new product is better for the environment, a decrease from 63 percent in the previous year's study.

While interest in organic foods continues, consumers also place a value on foods that are free of artificial flavors or colors. Half of the consumers surveyed believe "It is important that a new product is made from all-natural ingredients" and 37 percent believe "It is more important to me that a product is natural than organic."

Levy attributed part of this to consumer skepticism. Among the consumers who didn't purchase organic products, 39 percent said they "don't trust that all products labeled as organic are actually organic" and "are confused by what the term organic actually guarantees." "It appears that further consumer education is required in the natural versus organic debate," said Levy.

In another finding, concern about food safety lessened among the group surveyed, with 61 percent saying they were concerned about it, down from 71 percent last time around.

### Added health benefits

Healthy living is still an important concern for Americans, said Levy. "Consumers want products with added health benefits and they are willing to pay more for products that will help to prevent illness." Indeed, 71 percent of Americans want products that offer healthier options and 60 percent are concerned about receiving added health benefits from the products that they purchase.

The top five health concerns Americans reported were: health insurance, weight loss, H1N1, diabetes and cancer. Seventy-nine percent of those surveyed believe that "There is a lot I can do with food and nutrition to prevent illness." | Q

## classified ads





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## Coming in the April issue...

**Case study: eBay**
Find out how eBay turned to research to fine-tune a new user feedback system.

**What can *Casablanca* teach ad researchers?**
Chuck Young breaks down a classic scene from *Casablanca* to illustrate the benefits of using research to find an ad spot's emotional beats.

# before you go...

## online and offline

News about Quirk's and quirks.com

### Quirk's: A spam-free zone


Ever wonder why e-mail addresses in Quirk's directory listings aren't visible on the Web page? It's to save you from the evil spambots that harvest e-mail addresses in cyberspace! This is just one way Quirk's looks out for its customers. We take privacy seriously, which is why we will never rent or sell our list of active subscribers, so your name and personal information are safe with us!


### Marketing research job market improving

For the first time in over a year the quirks.com marketing research job posting board has 300+ active jobs posted. This is an improvement from a 2009 average of 200 postings (with a low of 186) but still not back to the height of 2008 when active postings averaged 700. Because Quirk's offers online job postings free of charge to all companies with marketing research-related openings, our posting levels serve as an indicator of job-market trends. To view all the active job postings visit http://quirks.com/jobs/results.aspx?showAll.

### Watch for your 2010 salary survey invitation!

Following the success of last year's compensation survey, Quirk's will field its 2010 survey late this month, with results reported in the July 2010 issue. Quirk's salary survey offers data on researchers' earnings and provides insight into compensation issues and retention incentives, as well as overall job satisfaction. Be sure to respond to your invitation to help make the 2010 survey a success. To view the results from 2009 enter article ID 20090806 at quirks.com/articles.

## cover-to-cover

Facts, figures and insights from this month's issue

> Customer satisfaction with the home claims experience averages 828 on a 1,000-point scale. In comparison, satisfaction with the auto claims experience averages 842. The difference in satisfaction may be due to lack of education regarding homeowners' policies, or it may be that home claims are less common but weightier in terms of dollars and life-impact. *(page 10)*

> Consumers make discrete choices every day (they only rate brands when annoying market researchers trap them into answering lengthy questionnaires!). Consumers "break ties" every time they choose one brand or restaurant over another. These decisions may be difficult to make but some brand has to win on each occasion. The ranking approach taps into that process. *(page 40)*

> Respondents who may by nature be intimidated or reticent in a face-to-face group may be more likely to speak up when they are not eyeball-to-eyeball with respondents they see as more knowledgeable, influential or articulate, or who simply speak loudly and are inclined to interrupt. In an online discussion, there is no reason for the less-vocal to have less of a say! *(page 45)*

> Why would sales satisfaction relate more strongly to automobile dealerships going out of business than service satisfaction? One possibility might be that a poor sales experience not only affects sales-to-sales loyalty but it also affects sales-to-service loyalty. In other words, if customers are upset with the sales experience, they tend not to return to that dealership for service work. *(page 61)*

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