QUIRK'S

Marketing Research Review

OCTOBER 2010

Research unlocks CardLock potential

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> Satisfaction program boosts Toshiba America Medical Systems to the top

> How to write quality survey questions

> Are cashiers corrupting satisfaction surveys?

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in case you missed it...

news and notes on marketing and research

Brain scanning surprises researchers in sunscreen study

University of California - Los Angeles (UCLA) neuroscientists have shown they can use brain scanning to predict behavior even better than the people themselves can. The study, conducted by UCLA faculty member Matthew Lieberman and UCLA Ph.D.-recipient Emily Falk, indicates that increased activity in a brain region called the medial prefrontal cortex among individuals viewing and listening to public service announcement slides on the importance of using sunscreen strongly indicated that these people were more likely to increase their use of sunscreen the following week, even beyond the people's own expectations.

For the study, Falk, Lieberman and their collaborators sought people who did not use sunscreen every day. The study group consisted of 10 male and 10 female participants. The participants had their brains scanned using functional magnetic resonance imaging at UCLA's Ahmanson–Lovelace Brain Mapping Center as they saw and heard a series of public service announcements. They were also asked about their intentions to use sunscreen over the next week and their attitudes about sunscreen. The participants were then contacted a week later and asked on how many days during the week they had used sunscreen.

Lieberman and Falk focused on part of the brain's medial prefrontal cortex, which is located in the front of the brain, between the eyebrows. This brain region is associated with self-reflection - thinking about what we like and do not like and our motivations and desires.

"From this region of the brain, we can predict for about three-quarters of the people whether they will increase their use of sunscreen beyond what they say they will do," said Lieberman. "If you just go by what people say they will do, you get fewer than half of the people accurately predicted, and using this brain region, we could do significantly better."

This finding could be relevant to many public health organizations, as well as the advertising industry. While advertising agencies often use focus groups to test commercials and movie trailers, in the future they and public health officials could perhaps add "neural focus groups" to test which messages will be effective while monitoring the brain activity of their subjects.

Pantene research explores women's feelings about bad hair days

The dreaded bad hair day is the focus of a major research and advertisement effort from Cincinnati consumer packaged goods company Proctor & Gamble. The campaign is aimed to regain some of P&G's Pantene shampoo and conditioner market share that was lost during the Great Recession when women traded down to lower-priced rivals like Suave and Tresemmé, according to Ellen Byron's June 30, 2010, article, "Wash Away Bad Hair Days," in *The Wall Street Journal*.

In spring 2009, scientists at P&G dove into women's feelings about their hair with a two-pronged approach. First, the women respondents were given the Positive Affect Negative Affect Schedule, a psychological survey intended to gather insights into mood and hair-related emotions, and secondly the respondents were hooked up for a high-resolution electroencephalogram using neuroscience equipment to measure brainwaves as women watched ads.

P&G surveyed almost 3,400 women, who rated how intensely they felt 20 specific emotions in relation to their hair. Then, about 1,300 women went on to use Pantene hair products for one week and afterward completed the questionnaire a second time. About 900 of these women used new Pantene formulas and packaging, and about 400 used older versions. New-Pantene users gave especially high scores to four emotions - excited, proud, interested and attentive. Test administrators classified the feelings "excited" and "proud" as components of joy - a good sign for Pantene's new look and formula.

P&G's ads - a direct result of the company's research efforts - began airing in May 2010 and attempt to show how bad hair makes women feel. During the research, scientists found that the surveyed women felt less hostile, ashamed, nervous, guilty or jittery, depending on the hair products they used, while at other times they said they felt more excited, proud and interested.

The research and advertising effort capped years of work at P&G to reformulate Pantene products; redesign the packages; and pare the line down from 14 collections spanning 165 individual products to eight. The new formulas are grouped into four main hair categories - curly, fine, medium/thick and color-treated - and packages are accented with bright colors. P&G also retained the Classic Care, Nature Fusion and Relaxed & Natural lines and upgraded a fourth line, dubbed Restore Beautiful Lengths. In all, the research helped whittle down the Pantene line to 120 items.

Spurred by research, Girl Scouting calls 21st-century girls to action

What did you do today? It's the question at the forefront of Girl Scouts of the USA's rebranding and revitalization effort. GSUSA poses the question to a new generation of girls and adult volunteers who participate - or could participate - in Girl Scouting annually in hopes of boosting enrollment and volunteer numbers. After a period of research and development, Girl Scouts debuted a long-term, multichannel brand campaign to reacquaint the country with the organization and communicate the power Girl Scouting has to change the world.

"What we're doing with this initiative is repositioning Girl Scouts with a message that is relevant to girls and the lives they lead today," said Laurel Richie, CMO and senior vice president, GSUSA, New York. "To some degree, our brand had faded and our research revealed that while many girls and parents knew about us, they had a very limited view of us. While we are proud of our $700 million cookie business run by girls, we offer so much more than that, and this new work is designed to let people know about all the new and exciting things girls do every day as Girl Scouts."

The branding, in the works as part of the organization's overall transformation that began in 2004, is composed of a new visual identity, which includes a trefoil mark; revised color palette; and refreshed logo that was originally created in the 1970s by designer Saul Bass. The initiative also includes plans for a 360-degree marketing program that taps the online, place-based and traditional media.

As part of the What Did You Do Today? campaign, Girl Scouts has developed Spanish-language advertising to target the Hispanic market, one of the few girl populations in the country that is growing. The Girl Scout Leadership Experience also features a series of 15 outcomes, or benefits, that for the first time will allow Girl Scouts to gauge how well its program is working in terms of developing key leadership skills in girls.

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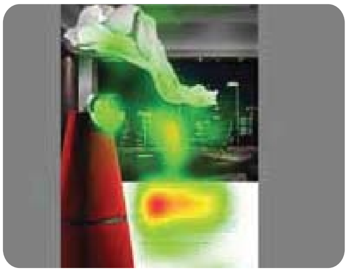
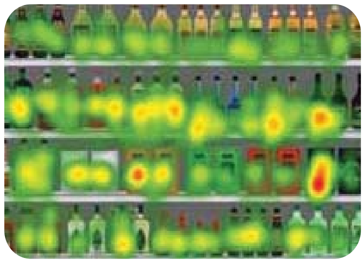


- Area of Interest
- Emotion
- Reading Metrics
- Bench Mark
- Index & Summary Report

C PACK

Shelf Impact Test



- Findability
- Purchase Intent
- Shelf Navigation
- 15 Minute Integrated Questionaire
- Detailed Analytics & Summary Report
- Shopping

OMNIBUS		C PACK
5 DAYS	TIMING	2 WEEKS
80 50/50 MALE/FEMALE AGES 21-54	SAMPLE	YOUR DEMOGRAPHIC 50-RECOMMENDED TO SUPPLEMENT ONLINE 80-MINIMUM 100-RECOMMENDED
$4000.00 - 1ST IMAGE $2750.00 - EA ADDITIONAL *For a Program of Research up to 40% Discounts	THE COST	see below

SAMPLE	1st PACK	Each Add'l
50	$10,500	$4,250
80	$12,500	$6,400
100	$13,500	$7,500

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Retailers and consumers reach symbiosis through couponing

While consumers certainly enjoy coupons, what do retailers stand to gain? Turns out, plenty. The study suggests that coupons have a significant impact on retailers' bottom lines in addition to the obvious consumer benefit as couponers are likely to spend more, have higher satisfaction and return to the retailer where the coupon was used, according to Online Shopper Intelligence, a study from Boston research company Compete.

More than half of the consumers who used a coupon code during their last online purchase said that if they had not received the discount, they would not have bought the item(s) - 57 percent said no, 43 percent yes - and more online shoppers are using coupons now than ever. One-third of online shoppers reported that they generally use coupon sites while shopping online, and 35 million consumers visited coupon sites in April 2010 (up 5 percent over 2009). Coupons have a high ROI, as the small discount consumers receive encourages them to spend money. When asked how much they spent on their most recent online purchase, consumers who used a coupon spent almost twice as much as consumers who did not use a coupon ($216 with a coupon versus $122 without).

Coupons can be an effective way for retailers to build goodwill with consumers and increase customer satisfaction. When asked about their overall shopping experience, satisfaction was higher for consumers who used a coupon than for those who did not. Ninety-two percent of coupon shoppers were extremely or very satisfied versus 88 percent of non-couponers. Consumers who used a coupon also said they are more likely to buy from the retailer again when compared to those who did not use a coupon. Ninety-one percent of consumers with coupons reported being extremely or very likely to shop again at the retailer where the coupon was redeemed versus 86 percent of consumers without coupons. For more information visit www.competeinc.com.

A handful of moms rule the masses on social networks

Many 21st-century moms are finding their voices on online communities and social networks, though not all social media moms contribute equally. Some go online looking for guidance (the Influenced) and some are more than willing to provide it (the Influencers).

San Francisco online community BabyCenter LLC's The BabyCenter 2010 Mom Social Influencer Report explored the profiles of each of these groups of women and found that 18 percent of moms who use social media account for 78 percent of the influence.

Among the Influencers are Field Experts, Lifecasters and Pros. A Field Expert is a young-but-experienced stay-at-home mom who uses social media to share parenting advice, usually focused on a specific topic (i.e., raising twins, breastfeeding issues, caring for a special needs child, etc.), with a large network of moms who look to her for her hard-earned advice and recommendations. She is most active in parenting-focused social media environments. Field Experts make up 8 percent of social moms and have a 33 percent share of influence overall. They are most influential on parenting communities where they have a 44 percent share of influence.

A Lifecaster is a Millennial mom of young children who is always connected and communicating using social media. She loves being the center of attention; has a strong need to stay connected and participate; and thrives on being recognized as the go-to person on many topics, not just parenting. She is very active in social media, with a high number of comments and friends who look to her as an invaluable source of new ideas and recommendations. She is most active on Facebook where she posts frequently to her huge network of readers and "likes" her favorite brands. She's also active on Twitter and blogs where she shares everything from everyday occurrences and stories about her children to product recommendations, deals and coupons. Although Lifecasters produce a high amount of seemingly lighter content, they are depended on by a large audience for relevant advice and product recommendations. Lifecasters make up 8 percent of social moms and 34 percent of the influence overall. They are most influential on Facebook where they

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PRESENTING THE NEW BALTIMORE RESEARCH FOCUS SUITES!

THE TUSCAN VILLA

Stylized furniture and walls with a warm color pallet are the first indicators that you've arrived in our Continental Space. Not entirely Italian, with a hint of French, the one way mirror is the only reminder of a focus facility. *"Isn't that bronze statuary in the Louvre?"*

HAIRSPRAY

GOOD MORNING BALTIMORE!
Bright colors abound in this ode to the infamous John Waters. This space tops them all for bric-a-brac and has been labeled, "deliciously tacky" by one of our astute clients. *"What's old is definitely what's new. "*

The Chesapeake Club

They call it "The Land of Pleasant Living!" Entering our private sportsman's club, one can't help but notice our wildlife theme. Once you finish your research, you'll be ready to plan your next vacation on Maryland's Eastern Shore.

THE METROPOLITAN ROOM

Abstract art, high gloss walls and an assortment of objets d'art will take your eye to the four corners of each room. *"Wait a minute... did I just see Jackson Pollack? AHHH...art for art's sake!"*

Pop Culture

A perfect storm of good old fashioned American capitalism and high intensity consumerism make for a wonderful homage to creativity. Familiar household brands combined with absolutely unique eye candy make for a *"must visit"* when on our campus. *"Newly improved for a brighter you."*

The Empire Salon

Even Marie Antoinette would be impressed... antique furnishings, silk draperies, crystal chandeliers and elaborate crown moldings all in various gold tones. Did we fail to mention the fireplace in the lounge? *"Versailles in Baltimore. Imagine that!"*

Hollywood

Is that Sandra Bullock or Julia Roberts ... it really doesn't matter; both would feel at home. A stunning decor consisting of mocha colored wall coverings complete with mini mirrors, Art Deco lighting and leopard print carpets complete the look. *"I'm ready for my close-up Mr. de Mille!"*

Julia's Kitchen

Yes, that's right. You heard correctly. A focus suite with a kitchen set-up. Observers can peer through the one way mirror into our fully functioning kitchen. Blue and white tavern checked wall covering, maple cabinetry, stainless steel appliances set the stage for some pretty creative and tasty research. *"Bon apetit Ms. Child."*

So there you have it – **8** *(yes – we said EIGHT)* wonderfully appointed and graciously styled suites for your business pleasure.

And please don't forget our 15 private "rest salons." No communal, give-me-a-key toilets for our clients. Spotless and peaceful, of course.

P.S. Chef Ryan has his legendary Imperial Crab Cakes ready for you!

BALTIMORE RESEARCH

www.BaltimoreResearch.com 410.583.9991
8320 Bellona Avenue, Suite 210 Baltimore, MD 21204

names of note

Sarah Berg Schlesinger, founder of *Schlesinger Associates Inc.*, an Edison, N.J., research company, died on September 12 at age 84.

Maura Clancey, senior vice president of Menlo Park, Calif., research company *Knowledge Networks*, died in August at age 50.

London research company *E-Tabs* has appointed **Ben Rosenheim** as sales development executive.

Turner Research Network, Atlanta, has appointed **Ann Breese** to lead its Seattle office.

Breese

Llewellyn

Chicago research company *Synovate* has named **Ben Llewellyn** managing director, Synovate Malaysia. He will be based in Kuala Lumpur, Malaysia.

Arbitron Inc., a Columbia, Md., research company, has restructured its executive leadership team and made the following appointments: **Sean Creamer**, executive vice president, U.S. media services; **Tim Smith**, executive vice president, business development and strategy; **Scott Henry**, executive vice president, technology solutions; **Carol Hanley**, executive vice president, sales and marketing; and **Marilou Legge**, executive vice president, organization effectiveness and corporate communications. As a result of these changes, **Alton L. Adams**, executive vice president and CMO, and **Robert F. Henrick**, executive vice president, customer solutions, have left the company.

Survey Sampling International, a Shelton, Conn., research company, has named **Jessica Sullivan** director, access and engagement, Asia-Pacific; **Chris Watson** managing director, U.K.; and **Helen Ryan** country manager, Singapore.

Market Probe, a Milwaukee research company, has added **Peter Serron** and **Vasu Balakrishnan** to its management teams in the U.S. and the Middle East and Africa, respectively. Separately, the company has appointed **Deepak Garkhel** as senior vice president, India.

Serron

Balakrishnan

Garkhel

Schwab

OnePoint Surveys, a New York research company, has appointed **Jim Schwab** as senior vice president, business development, U.S. and Canada.

Gareth Nicol has been named managing director of *ICM Direct*, a Bedfordshire, U.K., research company.

Pulse Group, a Kuala Lumpur, Malaysia, research company, has appointed **Angelica Dejaresco** as senior research executive; **Mandy Chee** to the sales and development team of Pulse Group, Singapore; **Andre Farsandi** as manager, client development; **Tengku Aishah Munirah**, **William Cheah** and **Tee Kian Wee** as client development executive; **Devendra Agrawal** as manager, project management; **Ahmad Fitry Abdul Aziz** as project executive; **Muhammad Sufian Daud** as an intern; and **Allan Meldgaard** as head of online communities, responsible for Planet Pulse.

Meldgaard

Pitts

Synovate Business Consulting, an Arlington Heights, Ill., research company, has hired **Mark Pitts** as head of consulting for the Americas.

Manchester, U.K., research company *B2B International* has hired **Cristin Malone** and **Guan Jingyuan** as research analyst in its New York and Beijing offices, respectively.

Malone

Jingyuan

London research company *BrainJuicer* has hired **Orlando Wood** as managing director, BrainJuicer Labs, and named Wood to the company's management team. BrainJuicer has also appointed **Han Zantingh** and **Carola**

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A Letter from e-Rewards to Our Valued Research Colleagues

Dear Colleagues,

We are all aware that our industry is changing at a rapid pace. In turn we are all looking for ways to improve our products and services to meet the demands we face from clients on a daily basis.

In December of 2009, e-Rewards made a strategic decision to acquire and merge with Research Now, a well-known and respected research solutions provider with a strong presence outside the United States.

Our unification into a single company offers you truly global resources. Now more than ever, we're ready to help you deliver even greater insights for your clients.

As one company with one voice and one mission, we need one name. We are pleased to re-introduce ourselves to you as Research Now.

Rest assured that only our brand name is changing. The e-Rewards "By Invitation Only" panels you have come to depend on will remain the same. And the same people you have come to rely on will continue to serve you.

We invite you to experience our unified company, Research Now, by visiting www.researchnow.com, or simply turn the page.

Sincerely,

Craig Stevens
Executive Vice President
Sales, Americas

Bill Russo
Executive Vice President
Chief Marketing Officer

research now™
an e-Rewards company

Vision Critical launches ReactionPlus; unveils virtual retail bank environment

Vancouver, B.C., research company Vision Critical has released ReactionPlus, its approach to audio and video testing intended to help researchers measure audience reaction to audio and video content on multiple dimensions with timely results. The testing tool aims to capture respondent feedback across up to 10 different dimensions to determine which feelings are being triggered throughout the programming; which words, images and sounds trigger engagement; at what point a storyline captures or loses its audience; and which presenters have the most appeal and why.

ReactionPlus works by having respondents watch or listen to content and input reactions into a graphical interface. Reactions and feelings are recorded as programming plays. Immediate feedback is followed by a summary evaluation following content exposure. Audiences are also segmented (core, casual, non-users or demos) to help clarify how the content appeals to specific targets. Reports are generated automatically and are immediately available online through an interactive reporting portal. Content and results are stored in one central location for review. Results include an overall reaction score, which benchmarks results versus other content; moment-by-moment visualization of results; a net promoter score, which determines the potential to go viral; and reaction among audience segments.

Separately, Vision Critical has developed a virtual retail bank environment for testing layout concepts; positioning of elements like greeters and tellers; and other visual cues like posters, signage and video screens. The virtual bank environment uses many of the same tools and concepts used by retailers and consumer packaged goods manufacturers for virtual shelf sets and retail store environments. Virtual branch respondents are asked to interact with the bank branch environment during a structured virtual tour or "fly-through" where their route is already mapped out through the retail branch location. The bank's branch design teams can structure multiple iterations of the fly-through, changing messaging design and display elements.

Each tour is followed by research questions. Respondents can also interact with the environment during the tour, typically through click-map activity where respondents click on elements of the design that draw their attention most. For more information visit www.visioncritical.com.

Tobii Glasses aim to make eye-tracking more mobile

Stockholm, Sweden, research company Tobii Technology has launched Tobii Glasses, an eye-tracking system created to help researchers in commercial, scientific and government organizations gain insight into the preferences, reactions and personal experiences of people in mobile, natural settings. Tobii Glasses are intended to look and feel like a pair of modern-looking eyewear and allow subjects to walk around freely, making it easier for researchers to create a real-world environment in which to capture user behaviors while they browse in stores, use a computer, try out a new product, read an advertisement, etc. Additionally, the glasses are lightweight and don't have cameras or mirrors in the field of view or require the user to carry equipment. For more information visit http://tinyurl.com/tobiiglasses.

SSI shares its ClicKnowledge for free

Survey Sampling International, a Shelton, Conn., research company, has rolled out SSI ClicKnowledge, an interactive tool designed to deliver metrics on 30 countries to an individual's PC at no cost. Researchers can choose the information they need and how they want it displayed: one metric across multiple countries; several metrics within the same country; or a world map of all country information. Metrics include demographic insights, such as population, age, gender and income breakouts; marketing research statistics, such as market research spend per capita; and country rankings, such as global competitiveness and network readiness. For more information visit www.surveysampling.com.

Mzinga releases updated OmniSocial suite

Waltham, Mass., research company Mzinga has released the latest version of its cloud-based social software suite OmniSocial, designed to allow businesses to connect, interact and share knowledge remotely with their employees, customers and partners. OmniSocial has been updated to allow easier branding, configuring and deployment - either as private or public community sites or as integrated applications within existing Web environments. The release also introduces greater integration with public and private-label Web and business applications, mobile apps and enhanced analytics to provide real-time access to community performance metrics.

Updates to OmniSocial include increased cloud-computing capacity; a new administrator control panel, including spaces within sites where groups of users can interact around specific topics or areas of interest and expertise with controlled access; OmniMobile iPhone and Blackberry apps; and enhanced analytics and dashboards, including

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research industry news

News notes

A lawsuit over exit polling in Minnesota has been formally dismissed after a new state statute took effect that allows exit pollsters to stand within 100 feet of a polling place, according to an August 6, 2010, article in the *Star Tribune*. In 2008, media outlets sued the state over a new law that would have kept pollsters far away from buildings where people were casting votes. The Associated Press, ABC, CNN, CBS, Fox News and NBC argued that the law made it virtually impossible to conduct exit poll interviews with voters and violated First Amendment rights. Both sides agreed on the dismissal.

The Marketing Research Association (MRA), Glastonbury, Conn., defended the need for confidentiality in marketing research following demands in June 2010 from the **Food and Drug Administration** (FDA), Rockville, Md., for Richmond, Va., cigarette manufacturer **Philip Morris** to surrender all market research regarding a dispute surrounding Marlboro Lights packaging. The MRA feared that the confidentiality of personally-identifiable information of research participants and possible proprietary and trade secret information on research processes could be violated by compliance with the agency's demands.

LaToya Rembert-Lang, general counsel, MRA, informed the FDA that MRA understood the importance of pursuing an investigation in Philip Morris's truth-in-advertising practices, but that, "the integrity of the survey and opinion research profession is in jeopardy when such broad sweeping mandates run counter to the standards of the survey and opinion research profession to protect the confidentiality of all research data."

Additionally, Congress approved financial system reforms in July 2010, eschewing a provision approved earlier by the House that would have expanded the power of the Federal Trade Commission and increased Federal regulation of the marketing research industry. The MRA lobbied to defeat said regulation.

The Media Rating Council, New York, voted to grant accreditation to all 25 of New York researcher **The Nielsen Company**'s Local People Meter (LPM) markets. As part of the annual audit/accreditation process, the original 10 LPM markets had their original accreditation renewed, while the remaining 15 markets were granted accreditation for the first time. Nielsen has developed its own A/P Meter Improvement Program, which includes a household CodeCheck; redundant monitoring sites; regular reports on code performance; identification of low-performing stations; and more.

The Oxford Research Agency, Oxford, U.K., has rebranded and changed its name to **Future Thinking**. The company has also opened a U.S. office in Danbury, Conn.

GfK Technology, a division of **GfK Custom Research North America**, New York, has rebranded as **GfK Business & Technology**.

Las Vegas research company **Precision Opinion** has expanded and added 135 jobs.

Waltham, Mass., research company **Invoke Solutions** celebrated 10 years in business in June 2010. Additionally, the company has divided into two separate business units, one of which will be focused on its Engage Analytics reporting tool. Engage Analytics will be rebranded as a separate unit.

Parsippany, N.J., marketing company **PDI Inc.** has terminated its market research business unit, **TVG Marketing Research and Consulting**. PDI is working with a limited group of TVG management to continue to provide market research services under the TVG name on an independent basis.

Vancouver, B.C., research company **Vision Critical** instituted its 2010 intern program, which placed 12 young client services associates at the company's offices across North America. Interns are all graduates of U.S. and Canadian colleges with degrees in marketing, research, sociology or business.

Acquisitions/transactions

Research company **Webtrends** has acquired app provider **Transpond** and released Webtrends apps for Facebook, Web and mobile. Both firms are based in Portland, Ore.

Cologne, Germany, research company **Globalpark** has acquired business software company **WP-Experts**, also of Cologne. Globalpark will add WP-Experts to its software development team, and WP-Experts' two principals will join the Globalpark executive board.

Online polling aggregator **Pollster.com** has been acquired by New York news Web site **The Huffington Post**. The purchase is part of The Huffington Post's push into political journalism ahead of the midterm elections in November 2010.

London investment firm **Fieldbury** has agreed to purchase for approximately £1 million

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By Peter Gurney

Overcoming resistance to your customer survey program

Do these statements sound familiar? "It's not valid!" "It's not actionable!" "It's not working!"

If you've ever rolled out a customer satisfaction survey program, you've probably heard these complaints before. However popular it may have appeared in the planning stages, after the program has been deployed for awhile - and managers are held accountable for the results - pushback is inevitable.

Having witnessed many such deployments, I have noticed that managerial resistance nearly always comes in three stages. After the initial, rosy period in which everyone agrees that it's a great idea to survey customers and raise the bar on satisfaction and loyalty, the harsh reality becomes clear: Not everyone is going to look good when the results are posted. If there are incentives involved, some people are going to be rewarded less than others. Moving the needle is hard.

Suddenly the picture isn't so rosy. Which leads to the three stages of whining.

The first stage is called It's Not Valid. You know you've reached it when you hear things like:

"You're asking the wrong customers."
"You need to survey more people."
"These numbers don't add up."

Any error or ambiguity is fair game to seize upon and hold up as evidence that the entire program is invalid. But of course the question of validity is just a red herring. The real issue is that no one wants to risk getting bad news. This is a perfectly rational and understandable concern. Managers have a significant amount of complexity to deal with already. Who needs another headache?

Nevertheless, if you want your program to survive, you will need to prepare for a determined assault on its validity. That means having all your facts ready and being fully prepared to explain and justify your design decisions regarding sampling, methodology, question content, etc. It helps to prepare a fact sheet that anticipates any concerns you may get from managers. You may even want to hold mock debates with

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snapshot

Once the results start coming in from customer satisfaction studies, stakeholders often go through what the author calls the three stages of whining: It's Not Valid, It's Not Actionable and It's Not Working. Here are some tips on how to silence the naysayers.


YES
NO
MAYBE

your team to make sure you are fully prepared to answer challenges from the field.

But that's just stage one. If you get past the validity test, you will move quickly to stage two: It's Not Actionable. You know you're there when you hear:

"These questions are too general."

"These things aren't in my control."

"What am I supposed to do with this rating?"

All legitimate concerns. Voice-of-the-customer survey programs are sometimes expected to provide a recipe for cooking up a perfect dish of customer loyalty. A pinch of this, a dash of that and voila! Scores go up. In reality, what the recipe actually says is, "Season to taste." In the absence of precise instructions, managers will often feel that they have been set up for failure.

The answer is not to redesign the survey with dozens of new questions but to make sure that the program includes options and information that effectively guide managerial action. Training, best practice tips, FAQs, coaching guides and other support should be part of the overall program from the beginning. In addition, the survey should supply as many customer comments as possible in order to give life and context to the ratings.

But even if you take these steps, there's still one stage to go: It's Not Working. The sign that you've reached it is when you hear:

"My scores are up, but my profit is flat."

"Why don't the stores with the highest satisfaction have the best sales figures?"

"We can get better ROI doing something else."

Many promising service improvement initiatives have fizzled when they are unable to produce convincing financial results. But if you haven't designed the program from the beginning to link to financial and operational metrics, it will be very difficult to do so later on. It's a good idea to identify, during the design phase, the specific business outcomes you want to improve. Do you think you'll increase customer retention? Decrease complaints? Increase referrals and new business? Then you will need to have good measures in place that you can track against your survey scores from day one. Otherwise you will be chasing data and trying to link it up for years to come.

Plan ahead

The most important point to remember is: Plan ahead. The Three Stages of Whining are predictable and inevitable, but if you're prepared for them you can move through each stage more quickly and your survey program will be much more likely to succeed. | Q

Increase their satisfaction

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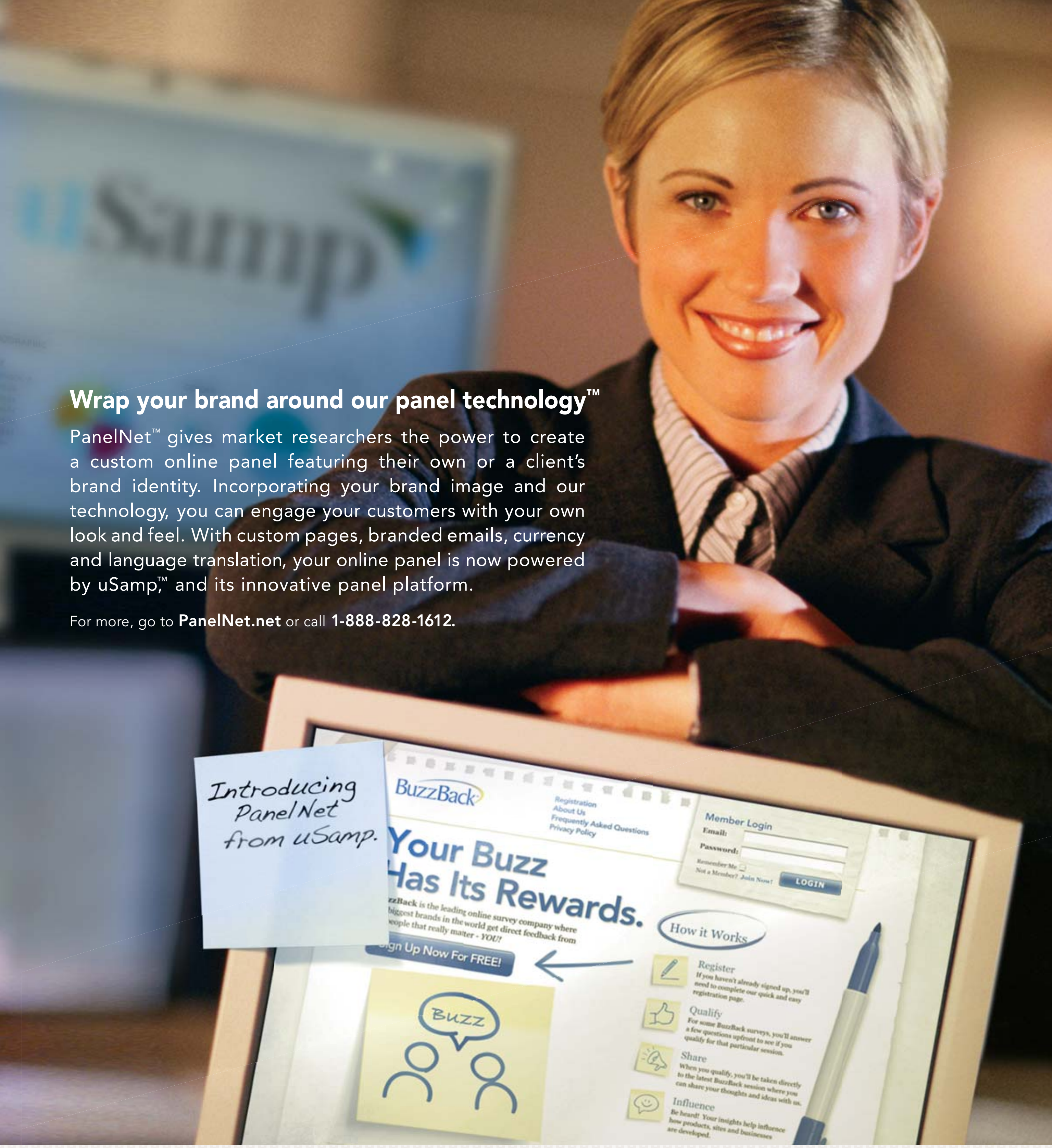

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By Albert Madansky

Evaluating paired comparisons, maximum difference and traditional ranking

Market researchers have always been troubled by the difficulty of the task of obtaining reliable responses when the respondent is asked to rank a large number of items.[1] In the early days of market research, when personal interviewing was the primary mode, various devices, such as the sort board, were recommended as aids in eliciting reliable responses. As market research moved toward telephone interviewing and Web-based surveys the difficulties associated with the ranking task were exacerbated, and two alternative elicitation techniques have been espoused: paired comparison and maximum difference. Though these techniques have simplified the response task, the concomitant move, from face-to-face interviewing to responding to a live interviewer by phone and finally to responding to a computer screen, has successively removed the effect that the interviewer has on the responses. For, as will be seen later, both the paired comparisons and the maximum difference set of queries can lead to inconsistent responses. And with the successively greater distancing of the interviewer from the respondent, there is greater likelihood that these inconsistencies will be unchecked. (Of course, the computer-assisted interview can, if programmed properly, check for such inconsistencies and proceed with an interrogation designed to rectify the inconsistent responses. But this requires special programming attention in the design of the interviewing script.)

The purpose of this note is, by means of an example, to illustrate the data interpretation issues associated with each of these methods. What we will see is that, unless they are carried out in full, in both the paired comparisons and maximum difference surveys, the preference proportions observed or inferred from the interview about some of the pairings will be based on sample sizes that are far short of the full sample size of the study. Moreover, these sample sizes are randomly determined, and so preference proportions based on these observations will not have the statistical properties of ordinary proportions. Consequently, standard statistical inferences made from these proportions (based on

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snapshot

The author examines a host of data interpretation issues related to the use of paired comparisons and maximum difference surveys.

Chart 1

1 vs 2	Count	1 vs 3	Count	1 vs 4	Count	1 vs 5	Count	2 vs 3	Count
1	49	1	44	1	54	1	46	2	51
2	51	3	56	4	46	5	54	3	49
2 vs 4	**Count**	**2 vs 5**	**Count**	**3 vs 4**	**Count**	**3 vs 5**	**Count**	**4 vs 5**	**Count**
2	56	2	48	3	63	3	56	4	43
4	44	5	52	4	37	5	44	5	57

Chart 2

Pairings	Responses	Inference
1 vs. 2 and 2 vs. 3	1 is preferred to 2 and 2 is preferred to 3	1 is preferred to 3
1 vs. 2 and 2 vs. 3	2 is preferred to 1 and 3 is preferred to 2	3 is preferred to 1
2 vs. 3 and 3 vs. 4	2 is preferred to 3 and 3 is preferred to 4	2 is preferred to 4
2 vs. 3 and 3 vs. 4	3 is preferred to 2 and 4 is preferred to 3	4 is preferred to 2
3 vs. 4 and 4 vs. 5	3 is preferred to 4 and 4 is preferred to 5	3 is preferred to 5
3 vs. 4 and 4 vs. 5	4 is preferred to 3 and 5 is preferred to 4	5 is preferred to 3
1 vs. 2 and 1 vs. 5	2 is preferred to 1 and 1 is preferred to 5	2 is preferred to 5
1 vs. 2 and 1 vs. 5	1 is preferred to 2 and 5 is preferred to 1	5 is preferred to 2

assumptions of binomial distributions with fixed sample size) may not be correct.[2] Indeed, it's not clear whether these proportions are unbiased estimates of the population preference proportions.

My example is based on a sample of 100 rankings of five items. There are 5!=120 different possible rankings, and Appendix I (see article ID 20101002 at quirks.com) contains the frequency of occurrence of each of these rankings, so that the reader can use the data and try other combinations of pairings or best/worst elicitations than those illustrated in this article to see what results one would get. The rankings are the order of preference of the five items, with the convention that the items are ranked from most preferred to least preferred. Thus 13542 means that Product 1 is most preferred (it got listed first), followed by Product 3 (it got listed next), then by Product 5 (it got listed third), then by Product 4 (it got listed fourth), and that Product 2 is the least preferred (it got listed last).

Easy to answer

The idea behind using paired comparisons instead of ranking is that the task of answering the question, "Which do you prefer, Item A or Item B?" is easy to answer. When there are five items there are 10 different pairs about which one can ask this question. As a baseline, Chart 1 is a table of what the responses of our sample of 100 would have been if they were asked about all 10 paired comparisons. (Being that the sample size is 100, you can also read these counts as percentages.)

But being interrogated about all 10 paired comparisons is also tedious. And so market researchers may ask the respondent to do only a subset of the 10 paired comparisons, and logically infer what the respondent would have said if he/she were presented with the remainder of the paired comparisons. One popular subset is what I call the daisy chain subset. An example in this case would be these five sets: 1 vs. 2, 2 vs. 3, 3 vs. 4, 4 vs. 5, and 1 vs. 5.

From this one might, for example, attempt to infer what the respondent would have done on the 1 vs. 3 comparison by looking at the responses to 1 vs. 2 and 2 vs. 3. If Item 1 is preferred to Item 2 in the first pairing and Item 2 is preferred to Item 3 in the second pairing, then logically the respondent would prefer Item 1 to Item 3. Chart 2 is a listing of all the inferences that could be made based on the responses to two of the paired comparisons.

One might also attempt to infer what the respondent would have done on the 1 vs. 3 comparison by looking at the responses to 1 vs. 5, 4 vs. 5, and 3 vs. 4. If Item 1 is preferred to Item 5 in the first pairing and Item 5 is preferred to Item 4 in the second pairing, and Item 4 is preferred to Item 3 in the third pairing, then logically the respondent would prefer Item 1 to Item 3. Chart 3 shows a listing of all the inferences that could be made based on the responses to three of the paired comparisons.

Of course one can only make indirect inferences about what the respondent would have done on the 1 vs. 3 pairing from only a subset of responses to the five pairings in the daisy chain (e.g., from the responses to the 1 vs. 2 and 2 vs. 3 pairings or from the responses to the 1 vs. 4, 4 vs. 5, and 3 vs. 4 pairings, if they are as given above). In some cases one cannot make any logical inference about the results of 1 vs. 3 (e.g., from a respondent who says that 2 is preferred to 1 and 2 is preferred to 3).

Chart 3

Triples	Responses	Inference
1 vs. 5, 4 vs. 5, 3 vs. 4	1 preferred to 5, 5 preferred to 4, 4 preferred to 3	1 preferred to 3
1 vs. 5, 4 vs. 5, 3 vs. 4	5 preferred to 1, 4 preferred to 5, 3 preferred to 4	3 preferred to 1
1 vs. 2, 2 vs. 3, 3 vs. 4	1 preferred to 2, 2 preferred to 3, 3 preferred to 4	1 preferred to 4
1 vs. 2, 2 vs. 3, 3 vs. 4	2 preferred to 1, 3 preferred to 2, 4 preferred to 3	4 preferred to 1
2 vs. 3, 3 vs. 4, 4 vs. 5	2 preferred to 3, 3 preferred to 4, 4 preferred to 5	2 preferred to 5
2 vs. 3, 3 vs. 4, 4 vs. 5	3 preferred to 2, 4 preferred to 3, 5 preferred to 4	5 preferred to 2
1 vs. 2, 1 vs. 5, 4 vs. 5	2 preferred to 1, 1 preferred to 5, 5 preferred to 4	2 preferred to 4
1 vs. 2, 1 vs. 5, 4 vs. 5	1 preferred to 2, 5 preferred to 1, 4 preferred to 5	4 preferred to 2
1 vs. 2, 2 vs. 3, 1 vs. 5	2 preferred to 1, 3 preferred to 2, 1 preferred to 5	3 preferred to 5
1 vs. 2, 2 vs. 3, 1 vs. 5	1 preferred to 2, 2 preferred to 3, 5 preferred to 1	5 preferred to 3

Chart 4

Paired Comparisons Inferred From
1 vs. 2, 2 vs. 3, 3 vs. 4, 4 vs. 5, and 1 vs. 5

1 vs. 3			1 vs. 4			2 vs. 4			2 vs. 5			3 vs. 5		
	n	%		n	%		n	%		n	%		n	%
1	17	47.22	1	25	52.08	2	25	67.57	2	19	61.29	3	21	58.33
3	19	52.78	4	23	47.92	4	12	32.41	5	12	38.71	5	15	41.67
	36			48			37			31			36	

Chart 5

Best/Worst	Inference
1 is best, 2 is worst	1 is preferred to 2, 3, and 4; 3 and 4 are preferred to 2
1 is best, 3 is worst	1 is preferred to 2, 3, and 4; 2 and 4 are preferred to 3
1 is best, 4 is worst	1 is preferred to 2, 3, and 4; 2 and 3 are preferred to 4
2 is best, 1 is worst	2 is preferred to 1, 3, and 4; 3 and 4 are preferred to 1
2 is best, 3 is worst	2 is preferred to 1, 3, and 4; 2 and 4 are preferred to 3
2 is best, 4 is worst	2 is preferred to 1, 3, and 4; 2 and 3 are preferred to 4
3 is best, 1 is worst	3 is preferred to 1, 2, and 4; 2 and 4 are preferred to 1
3 is best, 2 is worst	3 is preferred to 1, 2, and 4; 1 and 4 are preferred to 2
3 is best, 4 is worst	3 is preferred to 1, 2, and 4; 1 and 2 are preferred to 4
4 is best, 1 is worst	4 is preferred to 1, 2, and 3; 2 and 3 are preferred to 1
4 is best, 2 is worst	4 is preferred to 1, 2, and 3; 1 and 3 are preferred to 2
4 is best, 3 is worst	4 is preferred to 1, 2, and 3; 1 and 2 are preferred to 3

Chart 4 shows the results of applying the kind of logic described above to infer what the results would have been in the five pairs that were not part of the daisy chain.

Note that the number of inferences on the pairs not directly compared is less than 50 percent of the respondents. Note also that the inferred percentages are contrary to those based on the full set of rankings. For example, in the case of 2 vs. 5, Item 2 was ahead of Item 5 in 61.29 percent of the inferences, whereas in reality only 48 percent of the sample prefer Item 2 to Item 5.

Which is most and least preferred

The underlying idea in this mode of questioning is that one presents a subset of the items to the respondent and, instead of asking the respondent to rank the items, the respondent is asked to tell the interviewer which is the most preferred and least preferred of these items. In our example of five items, it is a trivial feat to infer the relationship between all the items if the subset is of size three. So let's consider the case where we present the respondent a subset of four items. There are five possible subsets that may be presented: 1234, 1235, 1245, 1345 and 2345. One can infer from the responses that each of the items not designated as either best or worst is ranked lower than the best and higher than the worst. For example, from the best/worst responses to the 1234 subset we can make the inferences shown in Chart 5.

And one can make up similar tables of inferences from the best/worst designations in each of the other subsets 1235, 1245, 1345 and 2345. Appendix II (see article ID 20101002 at quirks.com) lists for our example the inferences about pairs of items that can be made from the best/worst designation from each of these five subsets.

Appendix II illustrates that somewhere between 75 to 90 of the 100 respondents' data are used in estimating the proportion of respondents who preferred Item A to Item B. Moreover, there is no fixed relationship between the estimates made using this method and the estimates made from the rankings themselves. For example, though Item 3 is preferred to Item 5 in 56 percent of the responses, the inference from the 1235 subset is 55.52 percent, and it is 58.33 percent from the

Chart 6

Paired Comparisons Inferred from the Subsets
1234, 1235 and 2345

12	Count	Percent
1	47	48.45
2	50	51.55
N=	97	

13	Count	Percent
1	40	43.48
3	52	56.52
N=	92	

14	Count	Percent
1	46	56.10
4	36	43.90
N=	82	

15	Count	Percent
1	37	46.25
5	43	53.75
N=	80	

23	Count	Percent
2	51	51.00
3	49	49.00
N=	100	

24	Count	Percent
2	53	57.61
4	39	42.39
N=	92	

25	Count	Percent
2	47	50.54
5	46	49.46
N=	93	

34	Count	Percent
3	61	62.89
4	36	37.11
N=	97	

35	Count	Percent
3	54	57.45
5	40	42.55
N=	94	

45	Count	Percent
4	36	46.15
5	42	53.85
N=	78	

1345 subset and 59.30 percent from the 2345 subset.

No inferences can be made about the item missing from the subset. If one presented the respondent with all five subsets, one could net out the inferences from each of the five and produce the estimates made from the rankings themselves. But what if one only presents a few of the subsets? We consider one reasonable example, namely the presentation of the 1234, 1235 and 2345 subsets. Since all the subsets involving Items 2 and 3 are represented, the net inference from presentation of these three subsets will produce the fraction corresponding to the result of the 100 paired comparisons of Items 2 and 3. But what about the other nine pairs? Chart 6 shows the results.

Again, there is no fixed relationship between the estimates made using this method and the estimates made from the rankings themselves. For example, though Item 2 is preferred to Item 5 in 48 percent of the responses, the inference from the net of these three subset is 50.54 percent.

Chart 7 is a recap of the results of our example, where the columns labeled "pct" give the percent of the sample who preferred the first of the pair of items. So, for example, in the 25 line we see that 48 percent of the sample of 100 preferred Item 2 to Item 5, whereas in the paired comparisons daisy chain sample we could only infer preference between these items from 31 respondents and of those 61.29 percent preferred Item 2 to Item 5 and in the four maximum difference sets-of-four we could infer preference between these items from 93 of the respondents and of those 50.54 percent preferred Item 2 to Item 5.

The paired comparisons daisy chain design leads to small n on which to base inferences about the unpaired sets of items. The maximum difference can, with only three iterations, produce a larger n, but not necessarily pick the winner (as illustrated by the 2 vs. 5 inference). Moreover, in both designs one does not know in advance what the sample size will be for any of the comparisons that are not explicitly part of the design. And, as stated earlier, neither of these sets of percentages are unbiased estimates of the proportion in the population that prefer the first of the paired items.

All of this is of course based on the assumption that the respondent is logical, in that if he/she says that Item 1 is preferred to Item 2 and Item 2 is preferred to Item 3 then the respondent prefers Item 1 to Item 3. But, as is often discussed in the psychological literature, this may not be the case.

A simple example is the following. Suppose a respondent is presented with and asked in a paired comparison study to compare three pizzas:

Pizza 1: salami and onions
Pizza 2: pepperoni and garlic
Pizza 3: anchovies and mushrooms

His response to the 1 vs. 2 comparison is, "I prefer Pizza 1 to Pizza 2." His response to the 2 vs. 3 comparison is, "I prefer Pizza 2 to Pizza 3." His response to the 1 vs. 3 comparison is "I prefer Pizza 3 to Pizza 1."

Here's the rationalization for this intransitive set of responses. The respondent likes onions much more than garlic and garlic much more than mushrooms. Also, the respondent likes anchovies a little better than pepperoni and pepperoni a little better than salami and likes anchovies a lot better than salami. Suppose finally that the respondent makes his choice by first comparing the primary toppings, and, if there is little difference between the primary toppings, uses his preference on the secondary topping as the decider.

When Pizza 1 is compared to Pizza 2 the respondent says, "I like pepperoni a little better than salami but not enough to decide on Pizza 2 on that basis. Since I like onions a lot better than I like garlic, I'll choose Pizza 1."

When Pizza 2 is compared to Pizza 3, the respondent says, "I like anchovies a little better than pepperoni but not enough to decide on Pizza 3 on that basis. Since I like garlic a lot better than I like mushrooms, I'll choose Pizza 2."

Finally, when Pizza 1 is compared to Pizza 3, the respondent says, "I like anchovies way better than salami, so regardless of the secondary topping, I'll choose Pizza 3."

Also, it is well-known that the addition of an element in the set of alternatives may change the rankings of the prior elements. For example, if asked, "Which would you order in this restaurant, chicken or steak?" one might reply "Steak." But if asked "Which would you order in this restaurant, chicken, steak or fish?" one might reply "Chicken."

Here's the rationalization for such a response. When faced with the choice of only chicken or fish in a restaurant one might reason, "I prefer

Chart 7

	Ranking (n=100) pct	Paired Comparisons pct	n	Maximum Difference pct	n
12	49.00			48.45	97
13	44.00	47.22	36	43.48	92
14	54.00	52.08	48	56.10	82
15	46.00			46.25	80
23	51.00			51.00	100
24	56.00	67.57	37	57.61	92
25	48.00	61.29	31	50.54	93
34	63.00			62.89	97
35	56.00	58.33	36	57.45	94
45	43.00			46.15	78

chicken but chicken is more difficult to prepare than steak, so to be on the safe side I'll choose steak."

Now, when faced with the choice of chicken, steak or fish, one might reason, "Fish is even more difficult to prepare than chicken. Since fish is on the menu, this is a signal that there's a good chef here, so I'll now order the chicken." So even explicit responses in a maximum difference mode will not be consistent with the responses in a paired comparison.

Not an easy substitute

The bottom line is that, though it may be easier to implement multiple paired comparisons and/or maximum difference subsets, one should recognize that they are not an easy substitute for the traditional rankings. | Q

Footnotes

[1] Sometimes the ranking task is bypassed by asking the respondent to rate a large number of items, with the rankings inferred from the ratings. There are many additional issues that can be raised when this manner of obtaining rankings is used, due to problems associated with administering ranking questions in various interviewing modes, problems associated with the validity of the rating scale that is being used and to the problems associated with converting from ratings to rankings. We do not discuss these issues in this article.

[2] Only the use of subsets of sets of items in a maximum difference interrogation or of pairs of items in a paired comparisons setting to estimate preference proportions is considered in this article. We do not consider herein any other uses of these survey frameworks, such as for estimation of utilities in a conjoint setting.

Additional content online

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financial services research

By Chris Slane and Mark Sandler

Unlocking the potential

Segmentation, focus groups and in-market testing helped develop the CardLock fraud prevention product

Innovation is a disruptive force that fuels progress. But innovation doesn't happen in a vacuum. New products and services must be tested and often retested to measure viability. How useful would a new vaccine be if it wasn't tested before it was released to the market? The possibilities are frightening. Albert Einstein said it well: "Innovation is not the product of logical thought, although the result is tied to logical structure."

An example of innovation is the CardLock service from PSCU Financial Services, a St. Petersburg, Fla., financial services and payment processing company serving more than 600 credit unions and 14 million cardholders across the country. Introduced in late summer 2009, CardLock aims to strengthen fraud prevention by enabling cardholders to lock or unlock their credit or debit cards, effectively turning them off or on. Cardholders can call a toll-free number or visit a special Web site to lock or unlock their account in seconds using a simple four-digit key code. "We lock our homes and cars to prevent or deter theft, and CardLock works the same way for credit and debit cards," says Steve Ruwe, chief risk officer at PSCU Financial Services.

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snapshot

Prior to rollout of its CardLock product, PSCU Financial Services conducted research with consumers on the topic of fraud prevention to make sure they valued the product's features and capabilities.

Before going to market, PSCU Financial Services conducted research to test the viability of the CardLock concept, a process detailed below.

Much like vaccines, CardLock was not created in a vacuum. A vision was developed and the idea was championed internally to gain acceptance and endorsement by key corporate stakeholders. A cross-department task force consisting of the fraud, contact center and product development departments convened to discuss the idea. The team hammered out a product concept, discussed technical requirements, analyzed secondary data on the concept and provided anecdotal feedback about the market and the potential benefit to credit unions and their members.

Distinct differentiator

It was determined that no other product like CardLock existed in the marketplace, giving PSCU Financial Services a distinct differentiator. But before any product development took place, a research plan was needed to fully test the concept.

Stakeholders provided input and ultimately endorsed and supported a research plan. Stakeholders needed answers to the following questions: Does it fit a need? Does it have market potential? And, what features and functionality are needed to make it successful?

At this point, the company contacted Jupiter, Fla.-based SRA Research Group to consult on the potential ways to approach a variety of issues around this research. A brainstorming session produced a list of possible users to whom this product might appeal. As the list grew, it became clear that the idea needed to be tested among a wide array of cardholders to see quantitatively where above-average interest existed. Once those groups were identified, qualitative research would be used to understand the drivers of interest for each of the target groups.

The research plan was divided into three distinct phases: a quantitative segmentation study; a series of focus groups; and, if the concept made it far enough, credit union in-market testing. The process was atypical. Many research projects start with qualitative and then move to quantitative. Based on its experience, SRA indicated that one of the typical pitfalls in product development is qualitative research being used to push an idea to market. And, PSCU Financial Services needed confidence that a market existed before it could explore features and functionality - a more costly endeavor. Hence, the quantitative survey was done first.

Phase 1: Consumer segmentation study

The company needed a reliable pulse of consumer demand. To that end, PSCU Financial Services conducted an online survey in January 2009 using a nationally-representative panel from San Francisco research firm MarketTools. Qualifications to participate in the survey were primarily limited to owning either a debit or credit card. A total of 1,080 responded to the survey, yielding a 2 percent margin of error at a 95 percent confidence level.

A detailed concept statement for CardLock was introduced to consumers. The survey included questions on level of interest (with and without a fee); reasons for or against enrolling; likelihood of use; number of credit and debit cards owned; and experience with card fraud. Survey results were compared across age, income, education, presence of children, number of cards owned, home-ownership status and financial institution affiliation.

Overall, about four in 10 expressed interest in the CardLock concept (top-two box score). Level of interest was sustained even after introducing a $1 monthly fee to the concept. This gave us confidence that their interest was genuine.

Two key drivers of interest included the need to be protected from fraud - an obvious driver - and peace of mind. Those not interested generally felt they didn't need it or were concerned about convenience (i.e., forgetting to unlock or forgetting their password). The big takeaway was that, to drive maximum adoption, product developers had to ensure CardLock was easy to use.

Research confirmed distinct marketable segments. Those with the most interest included online shoppers, frequent travelers, younger consumers, renters and those who were victims of card fraud. While not exhaustive, these segments were originally identified in our earlier brainstorming work. We also found that consumers preferred to use the service more so for their credit cards and less so with their debit cards. And, there was little difference in interest among bank customers and credit union members.

So, with evidence from the research that a market existed for the product, with pockets of greater interest among certain segments, internal stakeholders had confidence to move forward with the next phase of the research.

Phase 2: Consumer focus groups

PSCU Financial Services was confident it had a product with market potential. But, it wasn't enough to know consumer interest. Before rushing it to market, the company needed some direction on what features and functionality to offer in order to drive greater adoption and usage. The company needed to know how consumers would use the product, what concerns they have and what roadblocks they might experience. This requires a qualitative approach. Focus groups were ultimately selected as the method of choice as they allow for rich discussion that can bring new insights to light and make products even more effective. SRA Research Group was commissioned by PSCU

Financial Services to conduct this phase of the research.

Researchers elected to conduct four focus groups in two markets: Tampa, Fla., and Phoenix. These markets were chosen out of convenience and to some extent out of a need for a more neutral consumer group. Survey research from phase one indicated that younger consumers were more interested in the concept than older consumers. Therefore, each of the four sessions was devoted to one of four specific age groups: 18-to-24, 25-to-34, 35-to-44 and 45-to-54. Those 55 and older were not considered a strong market based on the quantitative research and were therefore not included in the focus groups.

Screeners were used to help recruit panelists. Since the focus was when and how the service would the product be used, researchers needed to have the right audience around the table. After a careful review of the quantitative research, it was decided that invitees had to own at least one debit or credit card, have some interest in the concept and exhibit some of the segment characteristics identified in phase one (i.e., routine traveler, online shopper, etc.). Recruiting was accomplished using local contacts, databases and networking. SRA carefully monitored the mix of respondents to ensure all of the potential interest groups were represented in the sessions. Ten respondents were recruited for each group.

The discussion guide was developed and categorized into four key sections. The first section covered panelists' card usage patterns and behaviors. Researchers wanted to know the types of purchases they make on their cards and were any of them recurring - a technical challenge PSCU Financial Services would have to overcome. The second section covered panelists' perception of the ideal card. If they could build a card from scratch, what would it look like? Researchers wanted to know how panelists would handle fraud prevention in a "build your own card" scenario without tipping them off to the product being studied.

A clear product concept statement was supplied to each group. The moderator then solicited feedback. What was their reaction? Would they register their card for the service? Why or why not? How would they prefer to register? How would they like to be notified in the event someone tried to use a locked card? How often would they use it? What's missing from the product? These questions would be critical to ensuring the product had the correct functionality.

During the discussions, it came as no surprise that most respondents use a debit card more frequently than a credit card, particularly in this economy. Yet the quantitative research indicated the appeal was even greater for credit cards than debit cards, as consumers view a credit card as having more potential liability and hassle if problems occur than a debit card.

Convenience was also a major consideration mentioned in the groups. The system needed to be quick to lock and unlock otherwise respondents would not use it.

The groups also included a short discussion on card fraud. This was a bit tricky in that we wanted to avoid the lengthy war stories but still understand the depth of concern consumers have about this issue. Since we intentionally included people who had been victims of card fraud or identity theft, it was important to keep them from creating an atmosphere where group-think pushed everyone toward the idea. We wanted to juxtapose CardLock against current card-fraud protections such as zero liability and fraud monitoring, which are already available on most cards. If consumers felt that they were adequately covered with zero liability and fraud monitoring, marketers would have to convince consumers that CardLock was another important tool to mitigate fraud - not to replace what they already have.

Much to our collective surprise, many participants only had a limited understanding of their liability under existing cardholder agreements. Despite this, panelists generally understood the value of the service and expressed interest. Having control gave some of them much-needed peace of mind. In addition to the additional control, the inconvenience of dealing with card fraud was a major motivating factor driving interest.

As one respondent said, "I had to call the card company and we had to cancel the cards. We had to file a police report and fax it to the bank. With the card company, we had to wait a while and it took a lot longer to get the charges credited back and then it took even longer after that to get them to adjust the interest because we have a billing statement that dropped in between the time of the transactions."

In all, the consumer focus groups gave product development managers great insight on how to build features and functionality to drive adoption and usage. They also provided an in-depth view into how consumers could be motivated to sign up for this type of service. Now, product development managers needed to test the water.

Phase 3: Credit union testing

At this stage, CardLock development was near complete. But, PSCU Financial Services realized that credit unions needed to become comfortable with it before they would champion the benefits to their own membership - a key to the product's success. Pilot-testing the new solution to a handful of credit unions would also serve to provide valuable in-market data to PSCU Financial Services.

A decision was made to pilot the new solution to three credit unions. Employees of these credit unions were given full access to CardLock. Their use was monitored. How often did they turn their cards on and off? How long did they leave their cards locked? Were there any technical glitches? PSCU Financial Services conducted weekly check-in calls with pilot coordinators and conducted an on-site feedback session at the end of the pilot period. The in-market test ran for 10 weeks and was considered a success.

Added sense of control

After much due diligence, CardLock moved through the product development pipeline and became an official product. A press release was sent to major credit union trade publications in August 2009 announcing the new service. Since its debut, over 30 credit unions have enrolled. "Our members are interested in this service because it gives them an added sense of control and security, which translates to added confidence when using our card platforms," says Suzanne Dusch, vice president, marketing, CFE Federal Credit Union, Lake Mary, Fla. "This service delivers added control without added responsibility - that's a very attractive combination for our credit union and for our members."

Marketing research paved the way for CardLock. The time and investment in both consumer research and in-market testing proved extremely beneficial. It helped to transform a concept into a truly viable and innovative product. In the end, a need was identified, a market was cornered and peace of mind was achieved. | Q

financial services research

Innovation in practice

Marketing research within the financial services sector

By Doug Cottings

The financial services industry has had its share of challenges over the past few years. Those challenges have made an impact on how marketing research is being utilized within the sector and also opened the door to new opportunities.

Historically (prior to the year 2000) innovations in marketing research have occurred more frequently within other sectors such as packaged goods. Now, financial services marketing research tends to be more responsive to market conditions compared to other sectors. Financial service companies' investment in research is a leading economic indicator. The dot-com bust, September 11th and the recent market turbulence have forced financial service companies to reevaluate their marketing research spend. Senior executives whose education, training and career path have been primarily in finance, banking and actuarial are now treating research like any other business area. Researchers within financial services must demonstrate their worth by improving the business, since merely reporting research results is no longer sufficient.

Financial services companies tend to "bucket" their research spend into two categories: "run the bank" and "change the bank." When times get tough, both types of research are impacted but it is the "change the bank" category that is impacted the most. It is one of the first areas where financial service companies temporarily scale back. The research studies that are focused on new market entry, market sizing, new product development and innovation are postponed or reduced dramatically.

snapshot

To keep pace with market and societal shifts and changes, the financial services industry has had to use a variety of marketing research approaches, including emotional measurement and social media, to understand consumers' relationship with their money.

The good news is, most of the successful financial services companies are investing more, compared to the past two to three years, in innovative "change the bank" marketing research studies. While the areas of innovation vary broadly by company, they tend to be focused on the following key strategies for growth within the industry:

International

For companies that have a more aggressive growth strategy, the entry into emerging markets, especially within Asia and Africa, presents opportunities for revenue and earnings growth.

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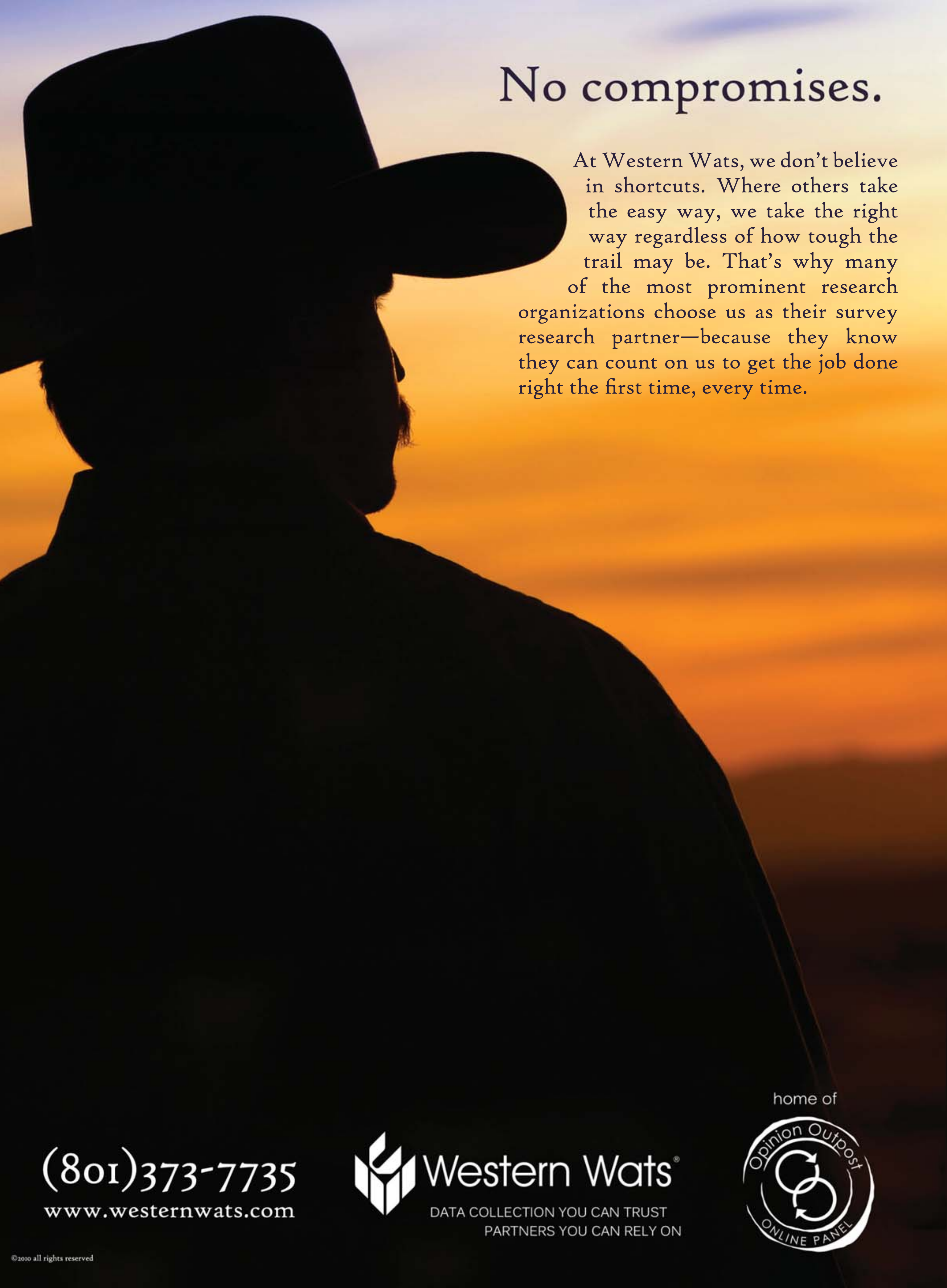
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Online/mobile banking
The increase of mobile phone usage in emerging markets makes mobile banking a safe, low-cost initiative, not only for traditional financial services companies but also for potential new entrants (e.g., telecom). It can provide an easy way to transfer money to family and friends, and payments and withdrawals can be made without ever going to a physical bank or payment center.

Self-directed
Customers are not as willing as they used to be to delegate financial decisions to their financial services company. At the same time, these companies are looking for new ways to serve customers more efficiently (e.g., self-service technologies).

Greater importance

Independent of the strategy, during an economic recession, the way a financial services company applies innovation to strategic priorities and routine activities, including marketing research, takes on greater importance. Expenses that were once acceptable when the business was delivering moderate growth now need to be rationalized. This has encouraged marketing researchers within financial services to become more innovative and is demonstrated within the following areas:

Embedding conjoint/discrete choice within segmentation studies
Customer segmentation studies are often updated every two to three years unless something significant occurs within the market. In response to recent market conditions many leading firms are in fact updating their customer segmentation. Wanting to do more with less, financial services companies are conducting conjoint/discrete choice segmentation studies. This enables the use of conjoint for segmentation to produce a needs-based grouping by running cluster analysis against the utilities. The end result is clearly identified segments that can easily be prioritized by their receptivity to current or proposed offers (e.g., changes to a business model).

Social media measurement
Financial service companies are using social media research in ways not often considered even a few years ago. If is often an important facet within leading companies' customer feedback loop and has been relied heavily to better understand corporate reputation issues and legislative changes. The industry is quickly moving from search services to real-time media monitoring and building proprietary branded communities of their own. This enables much more flexibility in listening to customers' voices to inform everything from new product and service development to expanding market share and improving customer loyalty.

Mobile banking
Telecoms may start capturing traditional card and banking customers who do not need all of the traditional banking services. To ward off this potential threat and to generate additional revenues, financial services companies are becoming more innovative regarding how to measure and understand mobile behavior. Whether within an emerging market or an established one, these companies are interested in understanding the user experience across mobile browsing and application usage on smart phones. A current priority is to determine innovative ways to better understand how financial services companies should deliver both routine and urgent banking transaction detail (possibly similar to how people are receiving real-time status updates from friends, colleagues and companies via Facebook, Twitter and other services).

Behavioral economics
Twenty years ago, behavioral economics did not exist as a field. Most economists were deeply skeptical - even antagonistic - toward the idea of importing insights from psychology into their field. Today, behavioral economics is becoming more mainstream. It is well-represented in prominent journals and top economics departments, and behavioral economists have garnered some of the most prestigious awards in the profession. It is basically the study of how people make decisions. It relies on economics, cognitive psychology and anthropology in order to better understand decision-making. Financial services companies have been increasingly utilizing behavior economics within their marketing research studies to understand their customers' decision-making, including the shortcuts they use and of which they are only partially aware.

Online qualitative
Financial services companies seem to be adopting online qualitative faster than many other industries. Relative to traditional focus groups, online qualitative has no geographic limitations. It provides the ability to speak with respondents from a local area, nationally or anywhere on the planet without the need for clients to use their time and budgets to travel. And, online qualitative is fast - a study can be up and running as quickly as it takes to recruit participants and create a discussion guide. Online qualitative studies have enabled financial services companies to interview hard-to-reach segments (e.g., CEOs, CFOs, high net worth, etc.) at times and places convenient for the respondents and also avoid travel costs. While there will always be a place for traditional in-person qualitative within financial services, online qualitative is being rapidly adopted.

Panel blending
Similar to why financial service companies have been early adopters of online qualitative, out of necessity they are also very receptive to working with multiple panels for one study's sample. Panel blending is combining two or more panels to form your sample frame. Because panels can vary in their makeup and size, and because of certain study requirements, sometimes panels are combined before the sample is released. However, care must be taken in doing so. Careful selection of panels for blending can help broaden the spectrum of

A NEW DAY IN SURVEY RESEARCH BEGINS

11 · 01 · 10

Research Company Spotlight - Financial Services Research

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www.srbi.com

Advanced Focus
212-217-2000
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Assistance In Marketing
410-337-5000
www.aimresearchnetwork.com

Athena Brand Wisdom
416-569-5426
www.athenabrand.com

Authentic Response
888-AR-PANEL
www.authenticresponse.com

B2B International
914-761-1909
www.b2binternationalusa.com

Bellomy Research, Inc. » SEE AD 39, 60
800-443-7344
www.bellomyresearch.com

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

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

Burke, Incorporated » SEE AD 71
800-688-2674
www.burke.com

C&R Research Services, Inc.
312-828-9200
www.crresearch.com

Catalyst Group
212-243-7777
www.catalystnyc.com

City Research Solutions
608-314-8493
www.cityresearchsolutions.com

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

Consumer Insights Group
703-327-4485
www.consumerinsightsgroup.com

Customer Lifecycle, LLC
630-412-8989
www.customerlifecycle.us

Customer Service Profiles (CSP)
800-841-7954 x101
www.csp.com

Derham Marketing Rsch. Pty. Ltd.
61-3-9897-3011
www.derhamresearch.com.au

The Dieringer Research Grp., Inc.
262-432-5200
www.thedrg.com/quirks

Directions In Research, Inc.
800-676-5883
www.diresearch.com

DLG Research & Marketing Solutions
713-795-5503
www.dlgresearch.com

DSG Associates, Inc.
800-462-8765
www.dsgai.com

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www.efgresearch.com

Envision Research, Inc.
404-587-1001
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888-203-6245
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www.eurekafacts.com

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972-661-8989
www.feedbackplus.com

Firefly Millward Brown
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www.fireflymb.com

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212-926-3700
www.firstinsights.com

Focus Latino
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www.focuslatinomarketresearch.com

Harvest Research Center
515-243-0785
www.harvestresearchcenter.com

Hase/Schannen Research Associates, Inc. (HSR)
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www.hsra.com

HCD Research, Inc.
908-788-9393
www.hcdi.net

I.S.I.S.-Integrated Strategic Info Services Inc.
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www.isisglobal.com

ICR
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www.icrsurvey.com

IFOP North America
416-964-9222
www.ifop.com

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

Insights Marketing Group, Inc.
305-854-2121
www.insights-marketing.com

Insula Research
800-975-6234
www.insularesearch.com

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

Just The Facts, Inc.
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www.jtfacts.com

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415-334-3400
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Leibowitz Marketing Svces. Inc.
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www.leibowitzmarketing.com

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www.lightspeedresearch.com

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Market Analytics International, Inc.
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MarketTools, Inc.
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MarketVibes, Inc.
765-459-9440
www.market-vibes.com

Mars Research
954-771-7725
www.marsresearch.com

MASMI UK
44-20-7520-1500
www.masmi.com

Matrix Research Limited
905-707-1300
www.matrixresearch.ca

MAXimum Research, Inc.
856-874-9000
www.maximumresearch.com

MCC Qualitative Consulting
201-865-4900
www.ConsumerCenters.com

Millward Brown
212-548-7200
www.millwardbrown.com

mindshare
716-629-3200
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panelists, enabling a better chance of drawing a sample that resembles the population under study. (Financial services companies may be more receptive to panel blending than others because it is similar to having diversification within an investment portfolio – a concept with which these companies are quite familiar.)

Emotional measurement

If it was not clear before the recession, it is now very apparent to most within the financial services industry that financial decisions involve emotions. Financial services researchers have attempted to measure emotions by measuring heart rates, blood pressure and other observational techniques but have found these techniques to be expensive, complex and hard to scale. Innovations have been occurring within financial services in the use of self-reported feelings and cognitive evaluations that better inform the subjective experience without the expense and complexity of other observational techniques.

Values research

The financial service industry attracts bright and creative people. It values research and encourages innovation. It is even investing in researching how innovation occurs within the industry, what the patterns are and how the category has evolved. While the financial services industry has benefited over the years from innovations by other industries in marketing research, it is leading the way on many innovations that will positively impact all of marketing research in the future. |Q

Research Company Spotlight - Financial Services Research

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

Morpace Inc.
248-737-5300
www.morpace.com

MRSI (Marketing Research Services, Inc.)
513-579-1555
www.mrsi.com

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

OMI Online Market Intelligence
00 7 499 978 5139
www.omirussia.ru/en/

Persuadable Research Corp.
913-385-1700 x302
www.persuadables.com

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

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

Prince Market Research
615-292-4860
www.pmresearch.com

Quality Solutions, Inc. » SEE AD 69
800-471-1646
www.qualitysolutions.com

Radius Global » SEE AD 19
212-633-1100
www.radius-global.com

RDA Group
248-332-5000
www.rdagroup.com

The Research Edge, LLC
651-644-6006
www.theresearchedge.com

Research Survey Service, Inc.
217-239-7880
www.researchsurveyservice.com

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

Rockbridge Associates, Inc.
703-757-5213
www.rockresearch.com

RTi
203-324-2420
www.rtiresearch.com

Schwartz Consulting Partners, Inc.
813-207-0332
www.schwartzconsulting.com

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

Southwest Planning & Marketing
505-989-8500
www.swpm.biz

Strategic Eye, Inc.
717-520-9013

Study Hall Research, Inc.
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www.studyhallresearch.com

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www.surveyservice.com

Target Research Group Inc.
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www.targetresearchgroup.com

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

361 Degrees Consulting, Inc.
626-309-0532
www.361degrees.net

TNS
212-991-6153
www.tns-global.com

Toluna USA » SEE AD 63
203-834-8585
www.toluna-group.com

TRC
215-641-2200
www.trchome.com

Triad Research Group, Inc.
440-895-5353
www.triad-research.com

Turner Research Network
770-604-9980
www.turnerresearch.com

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

Vincent McCabe, Inc.
315-685-7227
www.vincentmccabe.com

Vision Critical
604-647-1980
www.visioncritical.com

Vovici Corporation
800-787-8755
www.vovici.com

WB&A Market Research
410-721-0500
www.WBandA.com

WestGroup Research
602-707-0050
www.westgroupresearch.com

Zeldis Research Associates
609-737-7223
www.zeldisresearch.com

By Catherine M. Wolfe

Getting a clearer picture

For Toshiba America Medical Systems, satisfaction research removes uncertainty from customer relationships

Diagnostic medical imaging saves lives and improves quality of life for millions of Americans annually. For instance, to ensure early detection and treatment of breast cancer, once a woman reaches the age of 40, if she follows standard protocol, she will annually have a mammogram. If anything suspicious shows up on that mammogram, she's likely going to then have an ultrasound. If those tests are inconclusive she may have a magnetic resonance (MR) or even a breast biopsy. And that is only to diagnose the problem. If she requires treatment there will be other follow-up imaging exams.

Similarly, if your child falls and hits his head skateboarding, depending on the level of trauma, he may have a computed tomography (CT) scan to check for internal bleeding - something for which the other major method of diagnosis could be surgery. Or, if your elderly parent exhibits signs of stroke, part of the diagnostic procedure may include a CT scan or an MR. The more quickly the test is accomplished, the more quickly treatment can be given and brain cells saved, reducing the impact of potential disability.

These high-tech medical imaging capabilities are the result of years of investment and research. Installing these imagers and educating health care providers on how to use and maintain these systems requires complex processes that involve many individuals over the lifetime of the equipment.

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snapshot

Toshiba America Medical Systems uses a finely-tuned customer satisfaction research process, married with external analyst data, to maintain a handle on customers' perceptions of company performance.

Understanding the needs of the users of this equipment and maintaining the systems at optimum performance without inhibiting the health care provider's ability to deliver care is a complicated process. At Tustin, Calif.-based Toshiba America Medical Systems, customer satisfaction research has helped the company better understand its customers, provided a quick synopsis of the company's level of performance over time and allowed it to improve support.

A significant challenge

Late in the 1990s, Toshiba created its customer satisfaction research program when the company faced a significant challenge: flat to negligible sales in a growing market. Independent, third-party survey findings indicated current customers were just as likely to buy from competitors as they were from Toshiba.

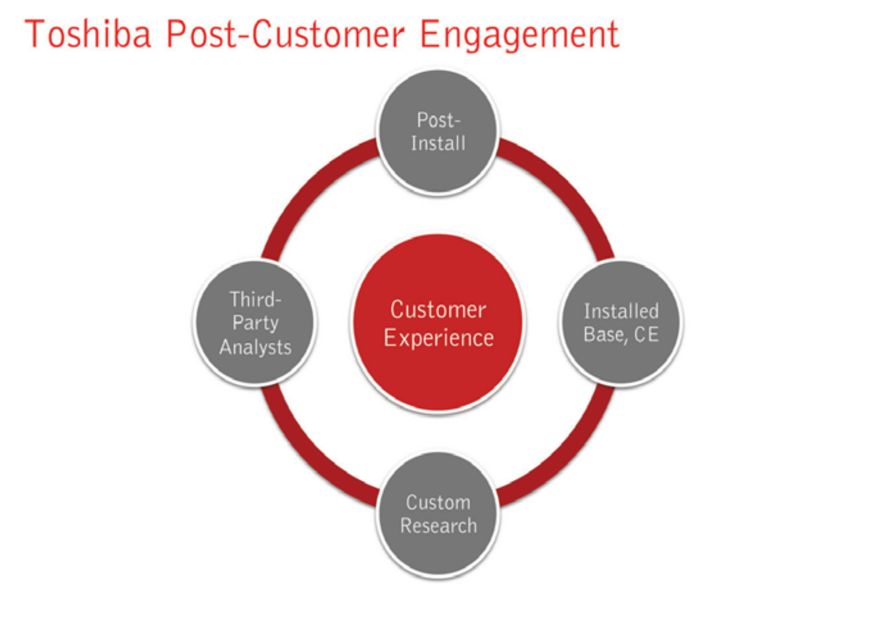
With that frightening information in hand, the company reinvented itself, creating a mission statement with marching orders that said it would become "the industry leader in customer loyalty by delivering quality products and services through long-term, customer-focused relationships." It's that very clear declaration which set the foundation for an organization committed to reshaping itself through an evolution from industry laggard to industry leader in after-sales support.

Auto manufacturer Lexus served as inspiration when Toshiba created its customer satisfaction and feedback program. Launched in 1989, the Lexus marquee quickly came to be associated with quality, luxury and superior customer satisfaction. The brand reputation grew steadily until, barely a dozen years after its founding, Lexus became America's best-selling line of luxury motor vehicles. As anyone who has owned a Lexus can tell you, the company gathers customer feedback all along the purchase and service process – a practice that helps catch and correct problems early, protecting the company's reputation in the market.

Critical junctures

Based on that model, in 1999 Toshiba created its program (Figure 1) to collect customer data. Gathered at critical junctures on the relationship timeline, that data is analyzed and provided to process owners. Also, it is compared to feedback from third-party analysts. Used together, these data sources help Toshiba understand where problems reside, implement changes

Figure 1



and then evaluate if changes are improving the customer experience.

Toshiba's customer satisfaction survey process (Figure 2) consists of data collected six to eight weeks after system installation – the post-install survey; data collected two years after initial installation – the installed base survey; and then random surveys conducted when customers contact Toshiba's call center (InTouch) for support, or when a customer engineer is sent out to a site – called IT and CE surveys. The post-install and installed base surveys ask questions about the sales process, installation and maintenance of the equipment, the applications or training process and the performance of the system.

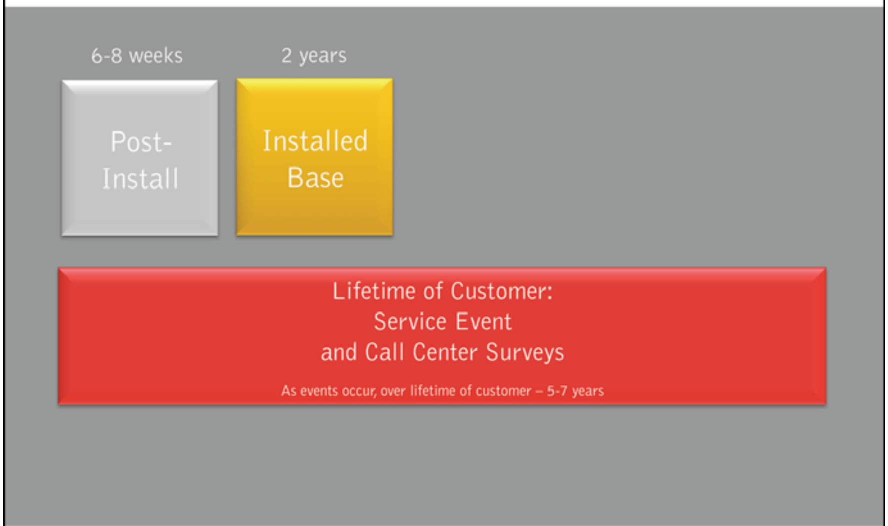
These surveys have been designed on a 10-point scale, with 10 being best, because that methodology reflects measuring systems used by third-party analyst organizations and the way they conduct their research. This 10-point scale helps Toshiba personnel understand and respond to the customer based on the site temperature. Ratings of 9 or 10 are believed to reflect loyalty, 7-8 ratings are viewed as neutral and a rating of 6 or below generates what the company calls a performance alert. Performance alerts require the engagement of Toshiba personnel with the customer to resolve the issue.

Surveys were designed internally by the company, but Toshiba works with a research vendor that conducts the surveys by telephone. The surveys are lengthy, some including as many as 40 questions. However, because of the complexity of the medical imaging business and the partnership nature between customers and vendors (customers include technologists, physicians and administrators from hospitals and imaging centers) respondents are generally willing to provide feedback, expecting that the investment of time will result in improved performance.

With Toshiba, it definitely does. For instance, a Washington hospital recently gave Toshiba low ratings for applications, product performance and service after the install of an X-ray system. Although the system met specifications, the chief radiologist was not satisfied with the image quality of the hospital's pain management studies. When viewing clinical images, beauty is often in the eye of the beholder. However, a dissatisfied customer is a dissatisfied customer with an issue that needs to be addressed. So a Toshiba team of national technical support, local service, senior applications and management vis-

Figure 2

Toshiba Customer Survey Plan



ited the site. National technical support and management explained different options to the physician. The company made a focusing adjustment and scheduled two consecutive weeks of additional training to ensure the customer understood system operation. The situation was resolved to everyone's satisfaction.

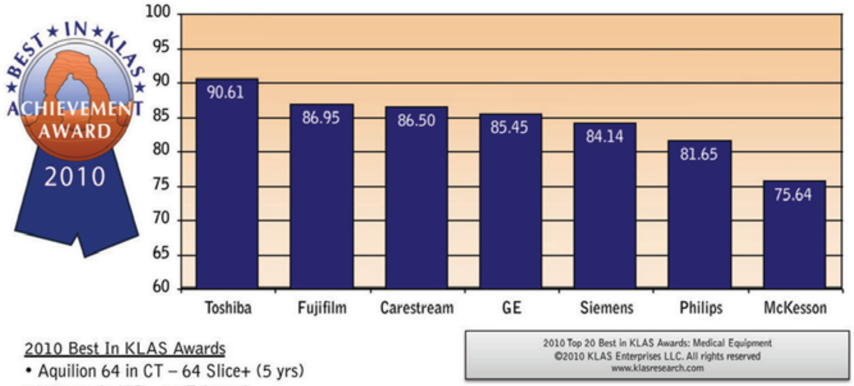
Being in touch

Company growth and success come from being in touch with the market. Early-warning indicators can also help protect a company's reputation. Toshiba's survey process gathers customer feedback as close to the event as possible, allowing the company to spot problems before they escalate into disasters.

A particularly challenging situation can occur when an institution currently using a competitor's system then purchases one from Toshiba. Systems work in diverse ways, clinical images can look different and protocols vary. Users often prefer the system they used when they learned their craft. According to recent survey data, a Pennsylvania hospital rated Toshiba's applications and the magnetic resonance imager subpar. Careful investigation resolved product issues, but ongoing communication turned up the fact that the technologists who had previously used another manufacturer's system didn't want to move their protocols to the new MR system. Ongoing communication with the customer via a weekly call eventu-

Figure 3

Toshiba Receives #1 Ranking in KLAS Overall Medical Equipment Vendor Rankings



2010 Best In KLAS Awards
- Aquilion 64 in CT – 64 Slice+ (5 yrs)
- Vantage in MR – 1.5T (5 yrs)
- Xario in Ultrasound – General Imaging (4 yrs)

2010 Category Leaders
- Infinix-I Angio in CV/IR x-ray
- Aquilion 32 in CT – Under 64 Slice

ally helped the hospital radiology team transition over.

A data collection and analysis process can also help address issues before they become pervasive in the market. Sharing information with internal process owners and giving visibility to customer satisfaction measures throughout the organization allows Toshiba to maintain industry's top third-party ratings.

According to author John Goodman in his book *Strategic Customer Service*, the act of gathering customer feedback, making changes and then communicating those changes back to the customer serves as a critical closed-loop process that ensures on-target performance in a changing market. An example of the efficacy of that approach arose following a Maryland medical center's purchase of a Toshiba CT. When the post-installation survey was conducted six weeks after the install, the customer provided low marks on product performance and service support. The local service team found power issues, which they helped the customer correct, but that didn't resolve all performance issues. National technical support then came in and was able to help diagnose a problem with the power supply. Keeping in constant contact with the customer and involving greater levels of expertise as required helped successfully resolve this situation.

Leading ratings

Within a couple years after Toshiba began its customer satisfaction survey program, the company achieved leading ratings by most industry measures. For instance, the company has held the No. 1 rating for nearly eight years in cat scanners – one of its core product lines – in data compiled by MD Buyline, a Dallas medical technology information firm. And the company holds top ratings in most modalities and with another third-party analyst organization, KLAS Enterprises, an Orem, Utah health care vendor performance measurement firm (Figure 3).

But maintaining those top ratings is not always easy. Toshiba hit a rough patch a couple years ago when the company began to see declining MD Buyline ratings in its premier product group – CT. Fear and uncertainty related to the unknown causes of the drop elicited several months of initial delay in action. Jack Welch once said, "Deal with the world as it is, not how you'd like it to be." It took Toshiba time to accept that its

performance was not at the desired level and take steps to improve performance.

Clear indicators of the issues were not readily apparent in the internal survey data, so the company tried some new things, such as auditing the organization and creating a hit list of performance inhibitors. A cross-functional team investigated and developed a priority action list made up of three major actions.

First, customer support managers (CSM) became the central focus for addressing customer issues. This moved the process from several different functions contacting the customer when there were problems to one person, the CSM, serving as the central contact, with other functions providing needed background information. This one change centralized and simplified customer communication and made accountability clear.

Second, Toshiba created a voice-of-the-customer team representing each function that reported to the general manager. This ensured that issues that weren't being addressed received senior management visibility.

The third action required an investment of more than $1 million to upgrade software at CT sites to be consistent. Much like the way that computer systems work off different software versions, so too do CT systems. Investing in revision consistency made it easier for Toshiba employees to detect and resolve system problems. System downtime decreased.

As a result of these changes, ratings improved and today there is a substantial gap between Toshiba's CT rating in MD Buyline and the market average rating.

Continue to enhance

As the market changes, so must organizations and the data their research teams provide. Budget constraints recently required that Toshiba discontinue its win/loss survey data, something that had provided great insight on market perception and helped the company fine-tune its operations to meet customer expectations. Recently though, market changes have increased needs for that data and the company will renew collection of win/loss data - specifically why Toshiba may have won a sale and why it may have lost a particular sale.

With this renewed data source, along with the other currently collected data on the customer experience, Toshiba expects to continue to enhance its perception, position and opportunity for growth in the market. With its ongoing customer satisfaction research program, Toshiba's ultimate goal is to transition from best-in-class to best-in-industry and, finally, best-in-business. | Q

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Three steps to clarity

A structured approach for qualitative verbatim analysis

By Michael Feehan, Cristina Ilangakoon and Penny Mesure

To quote Benjamin Franklin, "By failing to prepare, you are preparing to fail." While this aphorism is frequently used in the sporting world by coaches to reinforce the necessity of practice before a competition, it can easily apply to the world of qualitative research. If we as qualitative market researchers do not gather our data and prepare it for review in a way that is conducive to analysis, we are in effect preparing for an arduous and inefficient (read stressful) analysis process, and run the risk of missing the mark in generating powerful insight. Taking the time to structure one's data before diving in to any analytic process can be invaluable.

In general, qualitative data (of whatever form) is gathered, structured and then analyzed with the aim of developing themes and drawing associations between those themes to advance understanding on the phenomenon under investigation. Such qualitative research data may come in many forms, whether transcripts of one-on-one or group interviews, transcripts of online bulletin boards, observational data in ethnographic studies or verbatim responses captured in the context of quantitative studies.

In applied or consulting settings this analytic process must often be conducted in a milieu where: a) the objectives are typically set in advance; b) the aims are set by the information needs of the funding body; c) time frames are limited; d) there is often a need to link the data to other quantitative information, and e) the raw data can be extremely voluminous. In the *British Medical Journal*, Pope et al., (2000) propose an inductive "framework approach" that reflects the accounts and observations of those studied but involves a more structured data collection process than is seen in some other forms of qualitative research and leverages an analytic approach more strongly informed by a priori reasoning. This process generally involves the steps of familiarization (immersing oneself in the raw data); identifying a thematic framework; indexing (coding with text descriptors); charting (beyond grouping verbatim text and incorporating researcher abstraction and synthesis); and finally mapping/interpretation (interpreting the phenomenon and providing explanations). This is a useful heuristic

snapshot

Using examples of Net Promoter Score data from two studies - one of patients assessing their primary care physicians and the other from the consumer electronics industry - the authors explore strategies for extracting insights from large qualitative data sets.

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that provides a map for effective qualitative research and analysis in the commercial sector, even if individual qualitative market researchers may use differing terminology or jargon.

In this process, researchers are essentially engaged in a reductive process, refining and distilling what can be very large volumes of data into manageable units for subsequent analysis and interpretation. In large multi-site qualitative studies (e.g., doing market opportunity assessments in a cross-national study) the volume of data generated through purely qualitative interviews can be enormous. Similarly, in large N quantitative studies which allow for open-ended responding, the market researcher can be faced with several thousand responses that need to undergo a reductive process to abstract key insights of relevance to clients. Rather than hand off an Excel file of verbatims to a data processor for coding (simply grouping verbatims under topic headers), we recommend an approach whereby the qualitative researcher first structures and examines the data, prior to establishing some kind of thematic coding frame.

We recently conducted a quantitative study of the perceptions consumers hold about their primary care physicians and tested alternate questionnaire design approaches to measure attributes describing doctors and the salience of these attributes to their patients. As part of this project we included an assessment of the likelihood to recommend a doctor, both quantitatively through a rating scale and the calculation of the industry standard Net Promoter Score (NPS) and also through the collection of open-end verbatim responses accounting for that prior rating.

Here we describe an approach to analyzing these qualitative verbatim data that was later leveraged in a large multi-country study of customer loyalty in the consumer electronics market.

A cardinal measure

Across companies as diverse as American Express, eBay, Jet Blue Airways, Symantec, Verizon Wireless, Apple, Amazon, P&G and Merck, executive teams increasingly rely on Net Promoter Score as a cardinal measure of customer loyalty and a key indicator to measure and track their brand performance over time.

This measure, described in author Fred Reichheld's *The Ultimate Question* as a "foolproof test" (p. 18) highlights the proportion of promoters of the brand relative to the detractors of the brand, in terms of their response to a single question on a 0-10 point scale: "How likely are you to recommend this company/product to a friend or colleague?

In May 2009 we conducted an online survey of 394 respondents representative of the general U.S. population and asked them: "How likely would you be to recommend your primary care doctor to a family member or friend who was looking for a new doctor?" Using standard criteria, respondents were classed as promoters (P: 9 and 10), neutrals (N: 7 and 8) or detractors (D: 0 through 6). NPS was calculated as NPS = P - D. Our sample contained 61 percent promoters and 17 percent detractors. The NPS for a family doctor in the U.S. is therefore +44, a number that many commercial organizations would love to achieve (albeit rather below the figure expected for a luxury sports car).

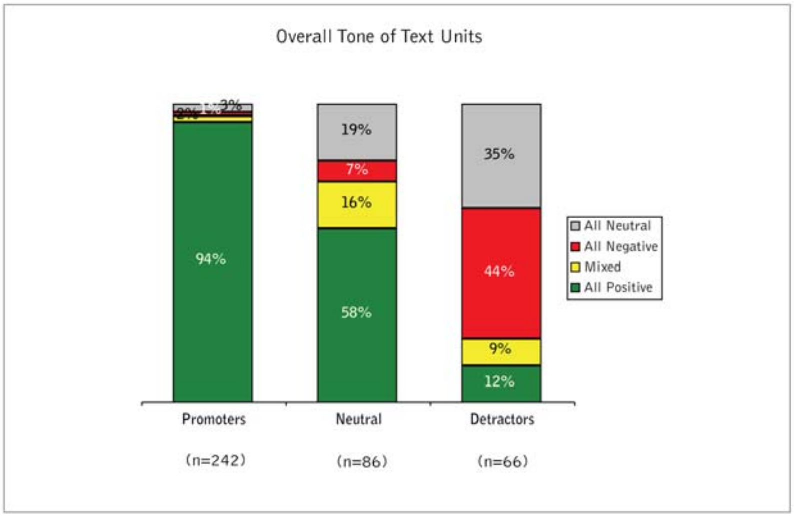
Open-ended responses were then gathered to "explain why you gave this rating." This question resulted in 342 verbatim responses from the 394 respondents. Some of these verbatims were sparse and others more verbose; and on cursory examination some addressed a single concept (e.g., "She understands me."), while others addressed more than one (e.g., "a nearby office and friendly staff").

The database was structured and the verbatims analyzed in three stages. The key goal was to use standard tools in most analytic software (SAS, SPSS, Excel) to break down the verbatims into manageable units of text that would allow for speedy review by a researcher.

Step 1: Assessing the volume of response

Prior to exploring the substantive nature of these verbatims, we first addressed a hypothesis that those who would be more likely to promote or detract their physician, would simply have more to say. That is, a quick metric to gauge "strength of feeling" would be the

Figure 1: 'Promoters' Gush; 'Detractors' are Not Totally Critical of Their Doctors



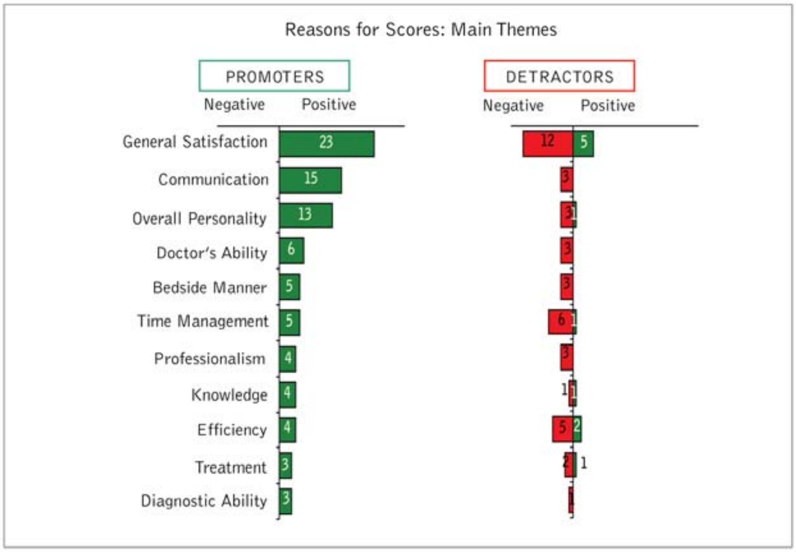
simple volume of total text associated with each response. To do this, the number of characters used in each verbatim were calculated (using a function in SAS), as were the number of words used.

Both metrics confirmed our hypothesis in that promoters and detractors said more than those in the neutral category. On average promoters used 17 words (70 characters) and detractors used 19 words (76 characters) while neutrals used only 13 words (55 characters). This makes sense: satisfied patients are bubbling over with good things to say, while those who would not recommend their family doctor justify their position at length. Neutrals were just neutral. We are not aware that word/character counting is a standard feature of NPS analysis, but this quick metric was beginning to give us a picture of who these respondents are and their strength of feeling about their doctors (or what would be brands in other contexts).

Step 2: Scoring favorability of each unit of analysis

Each verbatim was then broken down into the separate text units, comprising a different idea or aspect of the verbatim, using punctuation delineators (i.e., periods, commas, colons/semi-colons, along with and/&), with the exception of periods after "Dr." Despite similar levels of volume in aggregate, there were significantly more text units per promoter (2.4) than per detractor (1.8). Promoters were more likely to laud their doctor with multiple reasons. Detractors

Figure 2: Physician Attributes Driving NPS



were giving fewer overall reasons, but were using more words to get things off their chest about a single dimension of their doctor's behavior or style.

This then allowed the research team to very quickly code the overall tone of each text unit as positive (+1), negative (-1) or neutral (0). We could then explore the balance of tone across the NPS groups, both in terms of the absolute number of positive and negative reasons given, but also the ratio of positive to negative. This empirically allowed us to quickly gauge the degree to which detractors still said something positive about their doctor, and if promoters still identified areas for their doctor's improvement. As shown in Figure 1, detractors do make some positive (and neutral) comments which could provide important clues as to how to improve the quality of service and thereby convert them to promoters.

Step 3: Qualitative coding of themes

At this level each verbatim was then easily coded according to a theme (or themes) it encapsulated, with the list of potential themes being built up progressively and iteratively as text units were reviewed. This was very efficiently done as each complete verbatim had been restructured for rapid review through its composite text units. We already knew quite a lot about our promoters and detractors from the initial analyses. From this next level of analysis we were able to look at the underlying themes in their responses and draw some inferences about underlying drivers of loyalty to the family physician. Looking at the main themes (Figure 2), we can see that recommendation is primarily driven by the doctor's personality and ability to communicate with his or her patients. This is more important than medical expertise, which may be a given. Poor perceived time management and efficiency generally stand out as reasons why people give lower scores and are less likely to recommend their physician.

Baseline assessment

We recently applied this approach for one of our clients in the consumer electronics industry. We conducted a baseline assessment of NPS across nine brands, with around 150 consumers reporting on each brand, across seven countries. This gave us 9,450 survey responses. While not every respondent provided a verbatim response, since some verbatims comprise multiple text units and ideas, the volume of responses that could inform strategic strengths and weaknesses for the brands is considerable.

To aid this analysis we created a structured database, in a fashion similar to the one described above, that allowed us to review and analyze the verbatims quickly and without undue burden on analyst staff. Without going into the detail of this company's NPS and process metrics, we were able to produce high-value reports efficiently that yielded key insights into drivers of loyalty.

Analysis of the nearly 10,000 respondents' qualitative data revealed that among promoters sound quality was one brand's key strength, though durability and value for money also emerged as important: "It has the highest sound quality and it is reasonably priced. Also, the durability and longevity of the product are the best of any audio equipment I have ever owned. I am a fanatic!"

Analysis of the detractor verbatims highlighted the chink in this brand's armor as being cost: "It is only an average value for the money you pay. If they were to decrease the prices and/or increase the quality, I'd be more likely to recommend."

May seem like overkill

To some qualitative market researchers, this multi-stepped and (at least in the initial stages) pseudo-quantitative approach may seem like overkill. Especially when the number of open-ended responses is comparatively few and the task of identifying themes (across aggregate verbatim responses) may not be too challenging.

However, there are two major advantages to doing this. First, in many corporate NPS studies the sample sizes (and resultant volumes of verbatims) can be simply staggering. For example, in the construction equipment rental market, Peterson (2008) cites researcher Ellen Steck at RSC Equipment Rental, who obtained 23,000 completed customer surveys per year. Larger corporations may generate many times that number.

Many companies may simply focus on the quantitative NPS scores generated and, in the absence of some structured approach, neglect the value of a qualitative analysis of their often times un-analyzed verbatims. Key levers for positive change may thus be missed. In these cases some form of computational algorithms should be used to reduce and structure the verbatim data in order to minimize research time and do analyses as efficiently as possible. Second, some of the provisional metrics may themselves be useful data to track. An early indicator of improving fortune in the loyalty wars may be things like the volume of words customers say about your brand, the number of ideas they reference about your brand or the ratio of positive to negative ideas.

In terms of next steps it would be useful to analyze other NPS verbatim data and abstract text to develop positive and negative adjective batteries. This will allow researchers to search for text in the verbatims and code each as positive or negative (as opposed to manually by a researcher). While not perfect, this level of automation is necessary in studies where the researcher may be working with 30,000-40,000 verbatims. Once their direction is coded, subsamples of positive and negative verbatims can then be reviewed and analyzed by the research team for thematic content.

One interesting perspective that should not be overlooked in this approach really comes from an appreciation of the questioning style of qualitative researchers. The way open-ended responses are gathered in the industry-standard NPS assessment is to rely on the recommended question: "What is the most important reason for the score you gave?" (Reichheld, p. 33). This closed form of questioning can lead to simple lists of reasons without direction or strength of conviction (e.g., "The cost" or "Its quality"). We recommend that clients gathering NPS use an alternative: "Why did you give this score?" This simple change will encourage richer verbatims (e.g., "The terrific quality used to be worth the cost, but isn't now with cheaper competitors available.")

More efficiently focus

In sum, by proactively structuring the qualitative data using simple text-editing tools, and conducting preliminary counts of key verbatim types, the qualitative market researcher can more efficiently focus on what is critical - abstracting their key insights form very large verbatim sets. |Q

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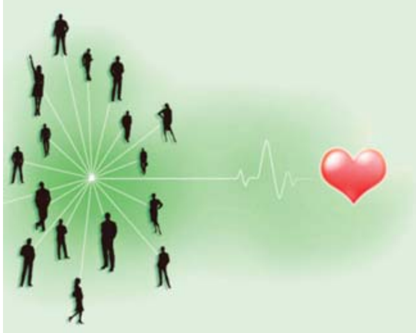
customer loyalty research

Now and for the future

Using relationship theory to drive customer retention and acquisition



By Kevin Schulman

For decades, business has pursued the formula for customer loyalty, but the secret to creating enduring customer relationships remains elusive. Over the years, satisfaction, value and quality have all taken their turn as the key to customer profitability, but one by one each has proven to be a poor indicator of future customer behavior. Costly investments designed to attract and retain customers do indeed improve survey scores but often have limited impact on the bottom line.

One example from the automotive sector shows a .35 bivariate correlation between the J.D. Power Customer Service Index and repeat purchase of the same automotive brand. Experience across industries shows correlation ranges between .25 and .4 – which is only a weak to moderate relationship. Measuring satisfaction without measuring customers' relationships and how they got that way leaves companies chasing scores that most often don't predict future behavior.

What contributes

There is a large body of academic work dedicated to understanding and explaining what contributes to good and bad interpersonal relationships. To summarize, for a relationship to truly exist, interdependence between partners must be evident: that is, the partners must collectively affect, define and redefine the relationship (Hinde 1979). At their core, relationships are purposive, they add structure and meaning in a person's life (Hinde 1995).

In the marketing world these basic relationship principles – applied to consumers – have become the accepted framework, replacing short-term exchange conceptions (e.g., transactional and episodic customer interactions) for what is required to maximize profitability. The literature on interpersonal relationships often describes (with varying terms) two broad need states necessary for healthy relationships – functional and personal. The former is utilitarian and cognitive and manifests as a sense of reliability and basic needs being met (e.g., satisfaction). The latter is less tangible, less rational and manifests as trust and affective feelings.

In short, a healthy relationship requires functional and personal benefits that manifest as a sense of

snapshot

With examples from the grocery industry, the author explores the relationship investment model and the value of establishing and maintaining a customer's sense of trust in and loyalty to a retail brand.

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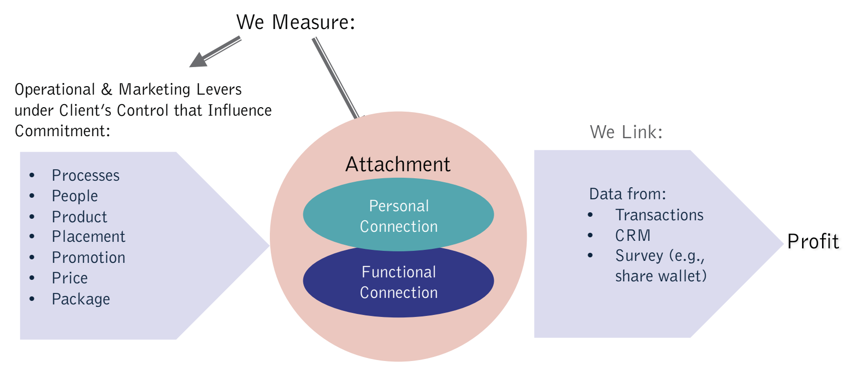
Figure 1



reliability, satisfaction, trust and commitment. For a business to strengthen customer relationships it must have a measurement system to evaluate these dimensions and an understanding of the specific relational activities required to support them.

The relationship investment model was developed – as the name suggests – using the theoretical framework of relationship theory. It is a system to measure the psychological constructs in relationship-building (e.g., trust, reliability, satisfaction, commitment) and identify the specific business activities required to strengthen customer relationships. At its core is a concept we call customer attachment that captures the motive or intent behind loyal behavior (e.g., repeat purchase, share of wallet, referral). What is measured is an attitudinal outcome – not transient attitudes and not behaviors – that is global, stable and predictive.

The attachment construct includes two types of customer connections: functional and personal (Figure 1). Attached customers have functional connections with the brand based on fulfilling their practical needs and personal connections that indicate reciprocal loyalty and emotional investment. Attached customers spend more, visit more often and overcome obstacles to purchasing the brand.

The real value however is in knowing the specific relationship between attachment and key financial metrics (i.e., the output side) and what drives customer attachment (i.e., the input side). This is conceptually reflected in Figure 1, with attachment as the intermediary through which we identify operational and marketing levers, under the client's control, that influence customer attachment and correspondingly drive loyal customer behavior (e.g., spend). The survey development process for the diagnostics (left side) follows a modified four Ps framework that is useful for thinking through all the possible drivers of attachment.

The model allows for scenario planning and ROI forecasting since possible investments on the left (i.e., increased spend to make improvements) can be linked to unique dimensions of customer attachment, and through these, connected to financial metrics and profitability forecasts.

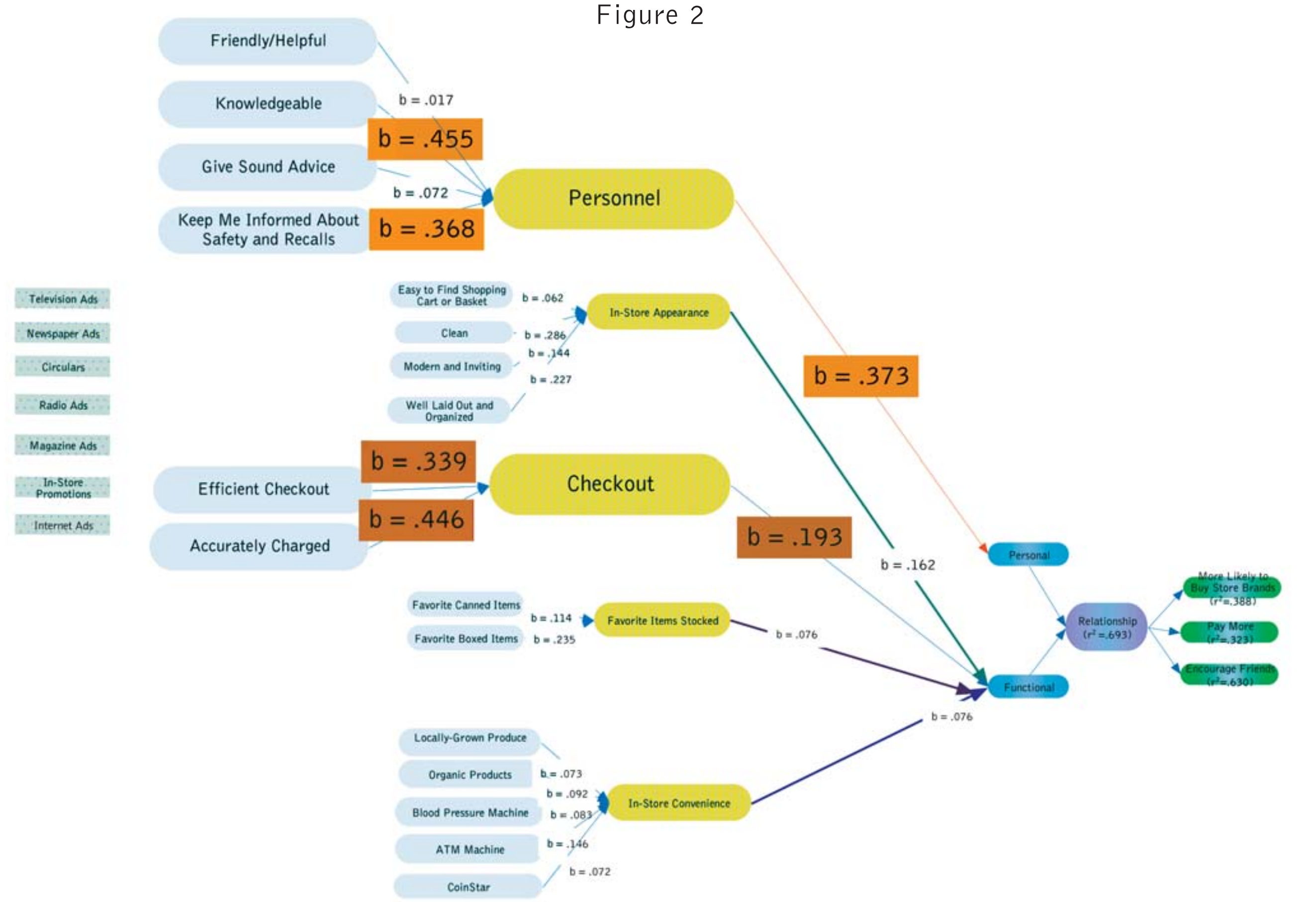
Piloted a study

TRG iSKY, using a convenience sample, piloted a study measuring the attachment levels of customers to their most frequently shopped grocery store. We also developed a wide-ranging set of diagnostics as possible predictors of customer attachment in the grocery store vertical. Using the six Ps framework the survey was designed to include items such as:

Sample people questions

- Grocery X has knowledgeable employees
- Grocery X has friendly employees

Figure 2



Sample product questions

- Variety, freshness and availability ratings for deli, bakery, meats

Sample process questions

- Grocery X stores are well laid-out and organized
- In-store specials are clearly marked
- At Grocery X I get checked out quickly and efficiently

Each respondent was also asked the proprietary list of six customer attachment questions. And because we did not have access to actual scanner or CRM data we collected self-reported attitudinal loyalty measures as a proxy (e.g., likelihood to recommend, willingness to pay more) for financial outcome measures.

The overall model, reflected in Figure 2, is actually a combination of multiple models that show direct and indirect paths (not all reflected here) of influence and relationship. The beta scores (b) are analogous to driver analysis, with larger scores indicating greater influence on the intermediate (e.g., conceptual drivers, customer attachment) and outcome variables.

More specifically, the graphic shows the connection between relationship investment (in purple) to grocery stores and key behavioral outcomes. It also shows, at a factor (yellow) and diagnostic (light blue) level, the drivers of relationship investment and its subdomains, personal and functional connections (dark blue). While not fully reflected in this graphic, the model from this data set can show how specific promotional channels (far left) influence the specific diagnostic levers.

It should be noted that the data and relationships reflected in this graphical (and static) version of the model can be used to build a more user-friendly interface and interactive tool for managers to a) quickly process the main findings and b) do what-if scenario planning by changing the inputs on the left (i.e., customer ratings) to get a predicted change in relationship investment levels and key behaviors on the right (output side).

Biggest drivers

The beta scores (b) from the model indicate the biggest drivers of relationship investment. In the personnel grouping (and for the entire model) the biggest driver of creating customer attachment is knowledgeable staff who give good, in-store advice on what to buy (beta of .455). This attribute is distinctly different from friendly or helpful staff and it does represent an operational and human resources opportunity to help drive strong, attached customer relationships and increase key behavioral outcomes (e.g., store-brand purchase, recommend, spend). However, it also represents significant investment costs in the form of training, incentives, wages and ongoing support.

As an example, by investing heavily in its knowledge-management portal, Giant Eagle, a U.S. grocery retailer, is looking at improved financial competitiveness, efficiency of operation and increased market share. The management at

Giant Eagle is hoping that by leveraging its digital-sharing system to promote the sharing of important ideas, best business practices and lessons learned, the entire organization will become transformed by a new culture of knowledge sharing.

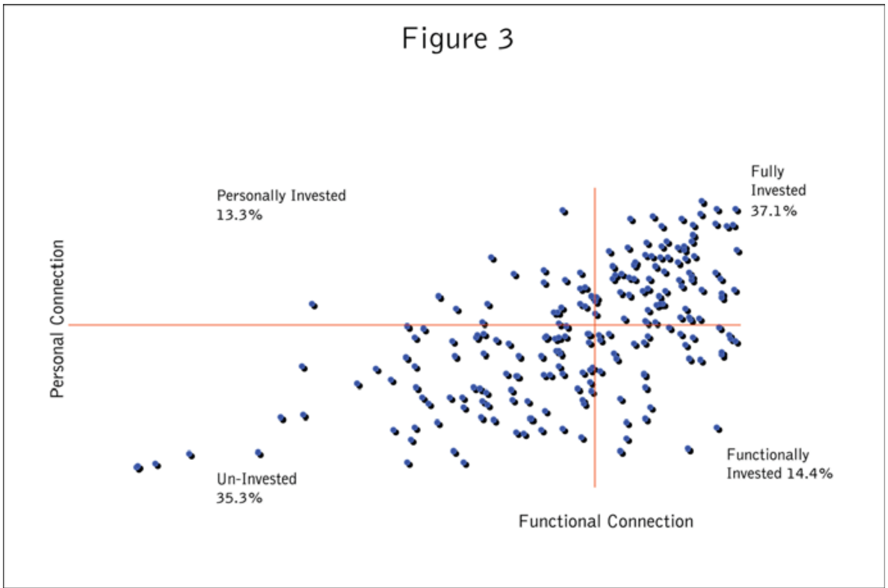
The other major driver in the personnel grouping is "keeping customers informed of safety issues and recalls" - a negative situation that occurs infrequently. Why does this, among all the possible predictors of relationship-building, matter so much and how can it be operationalized in any meaningful way? The answer to the first part of this question is a realization of the importance of trust as a latent part of the personal connection dynamic. Trust, another well-studied concept in academia, is required because of imperfect information on the part of the consumer. At some level, the consumer is required to take a leap of faith with every transaction - an action made possible through the establishment and fostering of trust.

Ultimate demonstration of trust

An infrequent but crisis-driven event such as a product recall is, perhaps, the ultimate demonstration of trust. The retailer must be, above all else, transparent and forthright, providing all the information it has to the consumer. Beyond mitigating the damage of the specific event, doing this right can foster long-lasting trust with many reciprocal benefits, including strong personal connections. As one possible action step, retailers should review their crisis/recall action plan, including consumer communications, to make sure it meets the transparent and forthright criteria.

Price Chopper, Schenectady, N.Y., and Wegmans, Rochester, N.Y., are two grocery store chains using this type of information system to help send out recall alerts. When shipments of beef were recalled because of a possible threat of E. coli bacteria contamination, Wegmans used a voice relay company called SmartReply to quickly alert over 190,000 customers about the recalled meat. Similarly, Price Chopper used SmartReply to alert customers who purchased Samuel Adams beer that the product was being recalled because of possibly defective bottles. Over 12,000 Price Chopper AdvantEdge loyalty card members received a call alerting them to the possible defect. "We are able to isolate the folks that need to know when it comes to food safety and security. We feel an obligation to help customers know the information they need to know and the response on the part of customers has been quite grateful," Price Chopper spokeswoman Mona Golub told the *Daily Gazette* of Schenectady, N.Y.

Another important operational driver of customer attachment is the efficiency and accuracy of the checkout process. This is a regular opportunity to make operational improvements that will impact satisfaction with a given shopping experience but also increase customer attachment and profitability. As one recent example makes clear however, operational efficiencies and productivity gains at checkout may have unintended consequences on



the long-term financial value derived from strong customer relationships.

Walker, Mich.-based retailer Meijer began a program - first developed for manufacturing assembly lines - of breaking down the checkout process into discrete segments to be timed, measured and benchmarked. All employees must meet key time benchmarks or face termination. The approach is rooted in the theories of Frederick Taylor from the early 20th century, which were used to break down tasks into units to determine the maximum work a person could do. The efficiency gains are all but guaranteed with such a system but at what cost?

As reported by *The Wall Street Journal* ("Stores Count Seconds to Trim Labor Costs" November 13, 2008) reactions from customers of some Michigan Meijer stores vary. "Sometimes you like to get in and get out right away," said Barb Bush, who shops at stores in DeWitt and Owosso and said she likes the current system. "A lot of [the cashiers] like to stop and chat, and I don't really have the time for it."

Linda Long, who shops at the Okemos store weekly, said of the cashiers: "Everybody is under stress. They are not as friendly. I know elderly people have a hard time making change because you lose your ability to feel. They're so rushed at checkout that they don't want to come here."

Success or outcome measures for such an initiative should include assessing the impact on customers' personal and functional connections to the brand. Productivity gains could be greatly offset by weakened customer relationships, which could have not only a long-term but immediate impact on revenue. However, to have any credence as a financial argument, the linkage between customer relationships - a "soft" and abstract concept as opposed to worker productivity, which can be measured by time and output - and financial metrics must exist.

The food

What may be as or even more interesting is what is relatively less important: the food. Product quality and its specific dimensions (e.g., freshness, availability, variety) are likely to be considered table-stakes attributes - the entry price to be in the grocery business. While product quality is quite likely to have an impact on customer satisfaction with a given experience it is a likely to be a binary dimension - e.g., presence or absence of it - and perhaps not even the primary satisfaction driver.

This may be less true for destination categories (e.g., meat, bakery) but in the aggregate, product quality is difficult to differentiate - certainly within a given retail format - and likely becomes, at least partially, subsumed in importance by all the other process-based elements of a shopping experience (e.g., driving to store, parking, shopping, checking out). This explains its failure to show up as a major contributor to building customer relationships beyond the utilitarian variety that meets basic needs. We find that service quality is by far the most critical determinant of merchandise quality perception

Store brands can help drive loyalty

Is it possible for a store brand to have premium brand characteristics and for shoppers to exhibit a preference for them based on non-price attributes? There is plenty of anecdotal evidence and academic research to support the notion that store brands can help drive store loyalty. Our studies lend support to the store brand strategy and find retailer/store-level attachment is transferable to the store-branded product level. As evidence, those with a fully-attached relationship to their most-frequented grocery store are three times more likely to buy store brands - this is an expected outcome from increasing store-level customer attachment. And because the strategy focuses on a psychological state in the customer - increasing the emotional and functional connection and corresponding motivation to maintain it - there is the potential to permanently increase store brand share.

Our research supports the belief that customers with a fully attached relationship to their retailer give greater share-of-wallet, make more trips, are more willing to recommend and have bought and will buy more store-brand items. For example, 36 percent of customers with strong relationships with their most-frequented grocery store give 75 percent to 100 percent share-of-wallet, twice the percentage who do so among those with a weak relationship (only 18 percent give 75 to 100 percent share-of-wallet).

Natural customer typology

The relationship investment model framework of personal and functional connections is designed to create a natural customer typology. It is not a linear continuum but rather four discrete groups or customer segments, including functionally invested, personally invested, fully invested and the un-invested.

In the grocery retail space the study found 37 percent of customers across all retailers with a fully-

Research Company Spotlight - Customer Loyalty Research

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

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852-2881-5250
www.acornasia.com

Advanced Customer Analytics
770-826-0061
www.advancedcustomeranalytics.com

Answers & Insights Market Research, Inc.
317-815-9901
www.answersandinsights.com

B2B International
914-761-1909
www.b2binternationalusa.com

Bellomy Research, Inc. » SEE AD 39, 60
800-443-7344
www.bellomyresearch.com

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

Burke, Incorporated » SEE AD 71
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www.burke.com

City Research Solutions
608-314-8493
www.cityresearchsolutions.com

Convergys Customer Intelligence Services » SEE AD 51
800-344-3000
www.convergys.com

Customer Lifecycle, LLC
630-412-8989
www.customerlifecycle.us

Customer Service Profiles (CSP)
800-841-7954 x101
www.csp.com

DataPrompt International
312-423-4100
www.datapromptintl.com

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

Geo Strategy Partners
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www.geostrategypartners.com

IMR Research Group, Inc.
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www.imrgroupinc.com

Irwin Broh Research
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www.irwinbroh.com

IVRsurveys.com
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Just The Facts, Inc.
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www.jtfacts.com

Koski Research
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www.koskiresearch.com

The Loyalty Research Center » SEE AD 30
317-465-1990
www.loyaltyresearch.com

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

Maritz Research » SEE AD 57
877-4-MARITZ
www.maritzresearch.com

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www.marketprobe.com

MASMI UK
44-20-7520-1500
www.masmi.com

Millward Brown
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www.millwardbrown.com

Morpace Inc.
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Multivariate Solutions
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www.mvsolution.com

ORC, an infogroup company
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www.opinionresearch.com

PinPoint Research
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Precision Opinion
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www.precisionopinion.com

Precision Research Inc.
602-997-9711
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Quality Solutions, Inc. » SEE AD 69
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www.qualitysolutions.com

Radius Global » SEE AD 19
212-633-1100
www.radius-global.com

RDA Group
248-332-5000
www.rdagroup.com

reed/group
215-564-2835
www.reedgroup-research.com

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

JM Ridgway Co., Inc.
877-532-3890
www.JMRidgway.com

S I S International Research, Inc.
212-505-6805
www.sismarketresearch.com

TRC
215-641-2200
www.trchome.com

Vovici Corporation
800-787-8755
www.vovici.com

Western Wats » SEE AD 35
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invested relationship, only slightly more than the percentage with no real connection to their retailer. The personally-invested, representing 13 percent of all customers, have some personal, more emotive connection to the retailer but lack the basics from the relationship. This customer is probably not scoring stores well on customer satisfaction surveys and generally is less than fully satisfied with the individual shopping experiences.

However, this customer may be markedly different from the dissatisfied ones identified in a customer satisfaction context. The retailer did manage to engender some level of connection - there is a relationship to build. In this study those with only a personal relationship were far more likely to have had a problem that was resolved by customer service, which underscores the opportunity that can often arise from less-than-positive circumstances when relational instead of transactional exchange theories are used as the filter for analyzing customer relationships.

The map shown in Figure 3 can be produced at a customer level for a store's customers or competitors. It can be also be produced at the store level to identify the top- and bottom-tier store performers based on strength of customer relationships and begin determining how the best performers currently deliver on the key drivers of customer attachment and relationship investment.

Increase the strength

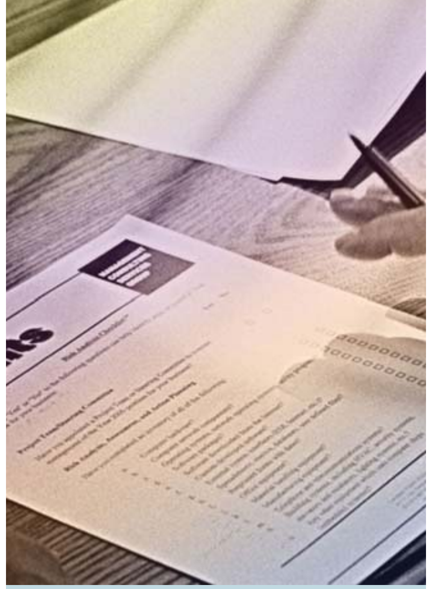
Macroeconomic trends are redefining customer mindset and shopping behaviors. The operating environment is extremely difficult and the tendency will be to retrench, slash costs, maximize productivity and wait for better times. Those retailers and CPG firms that temper this tendency with a determination to not only preserve but increase the strength of customer relationships will likely be the winners. Relationship theory offers a framework for understanding how to measure and manage these relationships. The underlying construct of attachment - the motive or intent to sustain a relationship - is a key mediating concept between what the firm does (the inputs) and how it affects customer behavior (the outputs).

Specific models, such as the relationship investment model, can be built to understand the impact of specific operational and marketing activities on customer attachment and behavior (e.g., share-of-wallet). The construct of customer attachment can then be tracked at various touchpoints to evaluate the impact on customer relationship strength of daily operations (e.g., at checkout) and marketing programs (e.g., promotions). With this information, a business can guide its decision-making with knowledge of what the customer will do next - the future behavior that is necessary to support tomorrow's sales and pave the way for even greater success when better economic conditions are upon us. | Q

quantitative research

Ask and you shall receive

The dos and don'ts of writing quality survey questions



By Brett Plummer

While some companies are forgoing survey research during difficult economic times, others are enjoying the competitive advantage of understanding their changing marketplace through efficient survey research. Those organizations must strive to maximize their research investment by obtaining the highest quantity and quality of information available from their surveys. To accomplish this, it's important to have clear objectives guiding survey construction and give adequate thought to each survey question. Otherwise, organizations run the risk of having the time respondents take to complete the survey plus the effort to collect, analyze and interpret the data outweigh the information gained from the survey.

Many people take survey question-writing for granted. But writing quality questions is an acquired skill that gets better with experience and guidance. Many problems with survey questions can be avoided with adequate survey pretesting, but unfortunately time and budget pressures can limit pretesting. In this article we've summarized some of the most important dos and don'ts of writing survey questions.

Do: Keep your objectives in mind

It is easy to get caught up in the wording and structure of survey questions, so much so that sometimes the ultimate objective of the question is forgotten. Always consider how you will use the information obtained from the survey responses.

Let's suppose your objective is to find out the percentage of your customers that are receiving reports on time. While many survey researchers advocate using a 1-10 or 0-10 scale (e.g., "Please rate the timeliness of reports on a 1-10 scale"), how are you going to interpret the responses of 6, 7 and 8? A better way to reach your objective might be to simplify the question to, "Were you satisfied with the timeliness of the reports you received?" (yes or no). The data will provide you with a clear answer to your objective.

After drafting questions, ask yourself if the data for this question will give you the information you're seeking. When multiple stakeholders contribute to survey development, survey questions sometimes end up being too long or too complex. In this case, it is helpful to go through the exercise of figuring out which questions are must-have and which ones are nice-to-have.

snapshot

With budgets in jeopardy and the ROI of research under scrutiny, the author argues that it's more important than ever to craft surveys that are clear, concise and aligned with internal objectives.

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cModerator

Advantages of cModerator

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cModerator: Enhancing Offline Testing with Online Benefits

cModerator:

Specific responses to a survey question(s) will initiate a live online chat session with a trained in-depth interviewer while the product and or concept is at hand. Can perform a deep dive to a specific response. Also can be used to follow up and maintain an ongoing conversation over an extended period of time, used with daily diary entries on HUT's or similar methodology. Clients log in and view real time responses.

- One Time- Can be applied to any type of test where you need diagnostic information on product, concept, package in a CLT test.
- Ongoing (HUT etc) can be used to monitor and dig deep into product response in real time

Additional Benefits to cModerator:

- Transcripts available immediately
- Client can observe and communicate with the moderator
- Cost is much lower than traditional focus groups or other similar offerings

Enhancing Insight with Online Technologies

Group Online Chat:

A group chat session guided by a moderator, carried out over an extended period of time or in a scheduled session, and completely text based.

Video Online Focus Groups:

Online focus groups streaming TV quality video. Up to 14 respondents + a moderator per session, with up to 10 clients viewing.

- Products can be shipped out for a short session with product tasting and discussion/diagnostics, or product concept discussions in a group setting.

Key Word Probe:

An automated in depth probing application triggered from a key word list used in self administered interviews. Can be triggered by a high or a low rating, or by entering a key word in an open-ended question.

- For example, if the key word list includes "spicy" and the respondent replies to an open end with "It was too spicy", this would generate an automated response back asking "Can you expand on that?"

Figure 1: Main Question Types, with Examples

Question Type	Example
Choose one	Which of the following sports is your favorite? O Baseball O Basketball O Football O Hockey O Other ______________ O None
Choose many	Which of the following sports do you play regularly? ☐ Baseball ☐ Basketball ☐ Football ☐ Hockey ☐ Other ______________ ☐ None
Rating	Please rate your overall level of enjoyment watching your favorite sport on television. Completely Dissatisfied … Completely Satisfied O 1 O 2 O 3 O 4 O 5 O 6 O 7 O 8 O 9 O 10
Ranking	Please rank these sports in order from your favorite (#1) to least favorite (#4). ___ Baseball ___ Basketball ___ Football ___ Hockey
Open-ended	Please describe why [xxx] is your favorite sport? ____ ____ ____

Don't: Create confusing or ambiguous questions

Although your survey questions might seem perfectly clear to you, will your respondents understand them as well? Play the role of survey respondent when you think about how questions will be read and understood, or better yet, have somebody not close to the research topic take your survey, explain their answers and discuss with you any issues encountered. Will your respondents understand your questions as written and be able to answer them in a way to ensure meaningful results? You had better be sure or your data may be worthless.

Another pitfall that survey developers need to avoid is asking about more than one dimension within the same question. An example: "Please rate the timeliness and quality of the response you received when you called customer service." Do you really want respondents to rate the combination of timeliness and quality at the same time? It would be much easier to interpret the data if you separated this question into two parts.

Be direct and to-the-point in your questions, avoiding ambiguity as much as possible. Only ask about one distinct topic at a time and avoid long question text that may erode your respondents' interest. Avoid jargon, spell out abbreviations and acronyms and define potentially confusing terms. And this should go without saying, but we'll say it here anyway: Proof and spell-check your survey!

Do: Consider which question type is best for each question

There are several different response types that will fit each question but there is probably only one that you should use. Figure 1 shows the main question types with examples. In addition, there are pros and cons to consider when using each question type, which we've summarized in Figure 2.

Don't: Forget to carefully review response options for appropriateness and overlap

Response choices should be kept in a logical order. This will help respondents better understand the question and will help to prevent them from accidentally submitting an incorrect response.

When there is no logical order for response options, the order should be randomized. This removes any bias that response options may have by continually appearing first or last in the list of options. Keep in mind that the survey method (e.g., telephone or mail) can also contribute to the order bias. When presented with a list of response options, telephone respondents are more likely to select what they heard last (known as the recency effect) while respondents in mail/online surveys are more likely to select what they saw first (known as the primacy effect).

Your list of response options in all "choose one" and some "choose many" question types should be mutually exclusive and collectively exhaustive or the results obtained will be difficult, if not impossible, to interpret. If a single answer fits into two or more response options presented, then those response options are not mutually exclusive. Here is an example of a question where the response options are not mutually exclusive:

Which statement best describes your customer service call?
O My issue was resolved
O My issue was resolved with only minor hassle
O My issue was resolved after repeated phone calls
O My issue was not resolved

Do: Take into account how the data will be analyzed

Even though you think you've written a good survey question, ask yourself what kind of data analysis will be used and how you will use the analysis results. You may be surprised to find that there is a better way of getting the information you need.

Here is one example: Company X wants to assess purchasing intent in its customer base. Its marketing team writes this question: Using a scale of 1 to 10 where 1 is "not likely at all" and 10 is "very likely," please rate your likelihood of purchasing Product A in the next year.

Now let's suppose that the analyses reveal a mean score of 6.4, with 35 percent of respondents indicating high interest (8, 9 or 10) and 23 percent of respondents indicating low interest (less than a 5).

Figure 2: Pros and Cons of Main Question Types

Question Type	Pros	Cons
Choose one	• Easiest and quickest response type • Familiar to respondents • Easy to analyze	• Provides minimal data
Choose many	• Easy for respondents • Familiar to respondents	• Takes slightly longer to answer than "Choose one" • Some respondents may treat it as "Choose one" type of question • Does not differentiate between choice items
Rating	• Allows for a scaled differentiation (or lack thereof) between items • Can choose from a variety of scales: numeric, verbal, Likert, etc.	• Differential interpretation of scale by respondents • May not differentiate items (i.e., items are allowed to receive the same ratings)
Ranking	• Differentiates items	• Takes more thought than rating questions • Differentiation may not be meaningful • Easy to make mistakes • Frequently confused with rating response options
Open-ended	• Provides the most information • Appropriate for exploratory research	• Difficult to analyze • May be difficult to summarize results • May not work well in self-administered surveys

What should Company X conclude? Consider if it had asked this question: "Do you plan to purchase Product A in the next year? (yes or no)." The results of the simpler yes/no question would certainly give Company X a clearer idea of the overall purchase intent.

It is also important to consider how to structure questions that might be used for multivariate analyses. If you would like a concept to be part of a regression analysis, it is best to have the response options be separated by the same numeric interval (e.g., a rating question), in order to maximize the correlations between items.

Don't: Lead your respondents toward answers

Respondents can inadvertently be led to answer questions in a way that confirms preconceived ideas of the researchers. It is the same concept as leading a witness in a courtroom. You want to give your respondents all available options for each question. Here is one example of leading respondents:

Given this economy, how likely are you to continue using Service X?

o Definitely will
o Probably will
o Probably will not
o Definitely will not

While the economy may be a valid consideration, not all respondents may see or be affected by the relationship between the economy and using a particular product or service. Instead, the question may be better worded simply as, "How likely are you to continue using Service X?"

Responses differ greatly when terms that suggest evaluative judgments or ideology are part of the question (e.g., "needy people" vs. "those on welfare"; "not allow" vs. "forbid" or "ban"). In writing your questions and responses, use neutral, non-judgmental wording in questions. If you have opinions on the topics you are asking about, the respondent should not be able to infer those opinions in the questions. And if possible, do not ask questions that respondents are afraid to answer (such as questions that might require an employee to review their manager), especially in the beginning of a survey. It may cause them to abandon your survey altogether.

Do: Include all valid response options

Where is the problem in this question?

What is your favorite color?
O Red
O Green
O Blue

Something critical is missing here, namely response options for respondents whose favorite color is yellow, orange, purple, etc. Of course all of these could be part of an "other" category, which is also missing from the response options above.

"Other" isn't the only category that is often mistakenly left out. "None of the above" is another common omission. And for some questions, you should also consider "Don't know" and "Not applicable" as valid responses. These omissions become especially problematic if responses are forced (often in an Internet or phone survey), where respondents cannot proceed to the next question without selecting a response.

There should be a response option for every respondent. If not, respondents may become frustrated and provide inaccurate data.

Also, make sure that your "Choose one" questions should not be "Choose many" instead. Here is an example of question that should be in "choose many" format.

What time of the day do you like to check your e-mail?
O Morning
O Midday
O Evening
O Night
O Check e-mail once per week or less
O Do not use e-mail

Don't: Ask redundant questions

Our company has conducted hundreds of surveys over the years, and nothing seems to annoy respondents more than question redundancy. When survey respondents are annoyed, many will lose interest and speed through the survey. Even worse, they may intentionally submit incorrect answers.

The problem with many surveys is that even though the survey developer may not think there are redundant questions, the respondents may feel differently. Distinguishing between concepts is necessary for individual survey questions, but extremely subtle distinctions between questions will pass for some respondents as unnecessary redundancy.

Here are two questions with very small differences:

Please rate the value that customer reports add to your client-customer relationship.
Please rate the importance of creating reports for customers.

The wording may be different, but these two questions are essentially the same. And some respondents will recognize this.

Do: Consider where your question falls in the flow of the survey

When writing a survey question, give serious thought as to where in your survey it should be placed. Random placement of your questions might have a negative effect on the quality of your data.

Screener questions should always be presented first. If a respondent doesn't qualify to complete your survey, don't make them do any more than they have to. You might need them again in the future, especially if they are a customer, so don't upset them!

Put the most difficult or most important questions first, before response fatigue sets in. Research has shown that data quality and completeness diminishes with longer surveys, and some respondents will feel that anything more than five minutes is too long.

Another consideration in question placement is possible bias from the ordering of questions. A respondent's answer to a question might be different depending upon where in the survey the question is asked. If you are looking for a top-of-mind answer to an open-ended question, it may be best to ask the question early in the survey before important topics have been introduced that could influence the response.

It is generally considered good practice to group similar items together. This is a convenience to respondents to keep them from continually shifting their thoughts to different concepts. Grouping similar items may also elicit more information from respondents in open-ended questions and may help them differentiate between items when answering rating questions.

Maximum amount of information

In conducting survey research there are several important processes that eventually lead to data that will (hopefully) answer the questions you intend to answer. Without quality survey questions the resulting data might be very difficult to interpret, or even worse, completely useless. Thinking about the content, format, placement and analysis of each individual question will allow you to get the maximum amount of information out of your survey. With research ROI difficult to measure and defend, you'll need to do everything possible to make the most out of your survey. | Q

continued from p. 8

command 47 percent of the influence.

A Pro is a self-employed Generation X mom with young children who loves giving well-thought-out advice and values recognition. She consistently pushes out entertaining and informational content to her enormous networks on Twitter and her blog, posting opinions and advice on a wide variety of topics including parenting tips, product reviews and giveaways. She does extensive research before making recommendations on a broad range of topics. In many cases, she has been compensated in some way for writing about brands on her blog. Pros represent 2 percent of moms in social media and have an 11 percent share of influence overall. While they are incredibly influential individually, they account for a lower proportion of the influence overall due to their small size. Pros are most influential on blogs where they have an 89 percent share of influence and on Twitter with 69 percent.

Among the Influenced, a Butterfly is a mom-to-be expecting her first child. She is very self-confident and loves social gatherings. Although she has a lot of friends online and in real life, her schedule is so tight that she tends only to post on important updates using social media. She primarily uses social media platforms like Facebook to keep up with her many friends and be entertained. She also seeks advice about her pregnancy on parenting-focused social media networks. She shares about her real life on Twitter and on blogs but generally tends to be more on the receiving end of advice and recommendations. Although Butterflies represent 16 percent of moms in social media they only wield 7 percent of the influence overall because of their low level of activity.

The Audience is a very large group that represents the mom market, including a mix of moms at different stages, from expectant moms to moms of older children. These women have fewer online friends and comment less frequently in social media but are still present and highly influenced by the other segments. Moms in this group use parenting-focused social media environments to find useful information, ask questions, get product recommendations or receive support. They use mainstream social sites to keep in touch with friends and for consuming entertainment. They are there to observe and obtain information – not to comment. At 66 percent of moms who use social media, the audience makes up the largest group but wields little influence relative to their size at 15 percent overall. For more information visit www.babycenter.com.

American makes making a comeback in auto appeal

For the first time since 1997, domestic auto brands have surpassed import brands as a whole in vehicle appeal, according to the 2010 Automotive Performance, Execution and Layout (APEAL) Study from J.D. Power and Associates, a Westlake Village, Calif., research company. In 2010, the APEAL score for U.S. domestic brands averages 787 on a 1,000-point scale - 13 points higher than the score for import brands (auto makers headquartered in Europe or Asia-Pacific). By comparison, in 2009, import brands outpaced domestic brands by five points. Among premium models, import nameplates continue to retain a notable edge, but mass-market models from domestic brands outperform those from import brands.

Domestic brands have been improving steadily in vehicle appeal during the past four years, with the greatest improvement occurring between 2008 and 2010. Improvement in 2010 is driven primarily by high-performing models from Ford and General Motors, including several models that are all-new or have undergone major redesigns.

New models introduced by import brands between 2008 and 2010 have similar APEAL scores as models retired by these import automakers during the same period (averaging 784 versus 781, respectively). In contrast, newly-introduced domestic models have strongly outperformed the models retired by domestic brands (803 versus 758, on average).

Historically, vehicle models achieving high APEAL scores have been shown to generate faster sales, higher profit margins and less need for cash incentives. High levels of vehicle appeal also have a strong influence on customer recommendation rates. Among the most highly-satisfied owners (APEAL scores averaging 950 or higher), 97 percent say they definitely will recommend their vehicle. However, among the least-satisfied owners (scores averaging below 400), only 8 percent say the same.

Ford captured five segment-level awards - more than any other vehicle brand in 2010 - for the Expedition, Explorer Sport Trac, Flex, Fusion and Taurus. Audi, BMW, Chevrolet, Mercedes-Benz and Volkswagen each garnered two awards. Audi received awards for the Q5 and Q7. BMW models that received awards are the 3 Series and 5 Series. Chevrolet received awards for the Avalanche and Camaro, while Mercedes-Benz earned awards for the E-Class Coupe and S-Class (for a fourth consecutive year). Volkswagen received awards for the GTI and Routan. The Mercedes-Benz S-Class achieved the highest APEAL score of any model in the industry. Also receiving awards were the GMC Terrain; Honda Fit; Land Rover Range Rover; MINI Cooper (for a third consecutive year); and Nissan Cube. Porsche was the highest-ranking nameplate in APEAL for a sixth consecutive year. Suzuki improved more than any other nameplate in 2010, compared with 2009.

Five award recipients in 2010 were all-new models: the Audi Q5; Chevrolet Camaro; GMC Terrain; Mercedes-Benz E-Class Coupe; and Nissan Cube. According to the J.D. Power Web Intelligence

Division, at the time of its launch, the Chevrolet Camaro generated particularly high volumes of online discussion centered on new-vehicle appeal. Compared with other new models released in 2010, discussion volume for the Camaro was twice that of the second-most-discussed model. For more information visit www.jdpower.com.

TV in bed trumps sex among Boomer women

Mature couples aren't as far outside of the technology circle as some might think, and contrary to past trends, women are at the forefront of bringing new technologies to older generations. In fact, many mature consumers consider themselves to be tech-savvy. Thirty-eight percent of Boomers (born between 1946 and 1964) and 39 percent of Ikes (born between 1934 and 1945) consider themselves to be very tech-savvy, ranking themselves as a seven or higher on a 10-point scale (10 being most savvy and 1 the least), according to a study of mature couples from San Francisco research company Continuum Crew. Those who self-report being tech-savvy are most likely to recommend and/or refer products to others.

As staggering proof of technology's value in mature couples' lives, a TV in the bedroom is rated more important than regular sex for Boomer women. In response to the question "What would you not be willing to give up?" both Boomer and Generation Ike female respondents said it was "television in the bedroom" versus the males' top response of "sex on a regular basis."

Overall, more Boomer men than women think they are tech-savvy. For Boomers and all younger age cohorts, men are more likely than women to say they are very tech-savvy. Interestingly, Ike women are the only generation in the study to indicate they are as tech-savvy as the males in their cohort. Forty percent of Ike women say they are very tech-savvy versus 39 percent of Ike men. For Boomers, 40 percent of men consider themselves to be very tech-savvy versus only 35 percent of women.

The Internet is the most valued service with 60 percent of both Boomers and Ikes reporting having a broadband connection at home as the most essential media service. Another 31 percent of Boomers and 26 percent of Ikes say it is "nice to have" but not an absolute necessity. Other common items include a wireless Internet connection, a laptop, a digital camera, the Home and Garden Television channel and a GPS device.

Ike women care more about technology than Ike men: More than twice as many Ike women than men rank a laptop as essential, and more than three times more for other items such as a GPS device and a digital camera. These items are also ranked higher in necessity among Boomer women versus Boomer men. Ike women are also more likely to say that they cannot live without a home broadband connection than any other cohort, including Boomers, Generation X3 (born between 1965 and 1974) or Generation Y4 (born between the mid-1970s and early 2000s). In interpreting the responses about respondents' most valued technology products and services, women caring more about technology than men may speak to the importance of the role technology products and services play in their daily lives. This is truer for Ike women than any other generation.

Boomers report more independent purchase behavior than ever before. Boomers within a couple/spousal relationship report more independent purchasing behavior, which declines significantly with age and in the Ike generation. The more independent the Boomer partners are, the more money they spend without consulting one another. This is notable in product categories such as electronics.

"We have seen a shift as the financial power of Boomer women has grown - they have something their foremothers didn't have - access to education, opportunities and careers. The balance of household power is shifting and with this survey we wanted to understand if couples are really shopping for big-ticket items together or acting as individual consumers, particularly as electronics have become more personal, and how and what couples will spend individually without consulting their spouse," says Lori Bitter, president, Continuum Crew. For more information visit www.continuumcrew.com.

Facebook draws a crowd but fails to satisfy

Despite being the most popular Web site in America, consumers don't like Facebook, which fared only slightly better in customer satisfaction than the once-gargantuan MySpace, according to the 2010 American Customer Satisfaction Index (ACSI) study from ForeSee Results, an Ann Arbor, Mich., research company. Facebook scored 64 on the ACSI's 100-point scale, which puts its satisfaction even lower than IRS e-filers and in the bottom 5 percent of all measured private-sector companies and in the same range as airlines and cable companies, two perennially low-scoring industries with terrible customer satisfaction.

"Facebook is a phenomenal success, so we were not expecting to see it score so poorly with consumers," says Larry Freed, president and CEO, ForeSee Results. "At the same time, our research shows that privacy concerns, frequent changes to the Web site and commercialization and advertising adversely affect the consumer experience. Compare that to Wikipedia, which is a non-profit that has had the same user interface for years, and it's clear that while innovation is critical, sometimes consumers prefer evolution to revolution."

Social media Web sites were measured for the first time, and the category included Facebook, MySpace, Wikipedia and YouTube. Twitter was not included in the social media category because a disproportionate number of users access Twitter through third-party applications other than the Web site Twitter.com. Wikipedia lead the category at 77, followed by YouTube at 73, Facebook at 64 and MySpace at 63.

Google plunged 7 percent but continued to lead the portals and search engines industry with a score of 80. 2010 was also the first time that Google ceded its top spot, as the "all others" category of search engine competitors jumped 5 percent to 82. Microsoft's Bing search engine made a strong first showing with a score of 77, trailed by Yahoo! (76), AOL (74) and Ask.com (73).

In the news and information category, Fox News dominated its competition online as well as on TV. Foxnews.com debuted at the top of the industry with a score of 82, the highest score any news site has ever received in nine years of measurement. Fox News' cable news competitors MSNBC.com (74) and CNN (73) trailed in satisfaction as well as ratings. All major news Web sites improved, including newspaper Web sites for USAToday.com (up 4 percent to 77) and NYTimes.com (up 4 percent to 76). For more information visit www.foreseeresults.com.

Financial services firms succeed in satisfaction, struggle with identity

Financial services organizations across the globe continue receiving high satisfaction scores from customers, but at the same time struggle creating differentiation and building affinity with their customer base, according to data from Toronto research company Ipsos Loyalty.

"Brand differentiation and affinity are two emotionally-based ingredients vital to building customer loyalty, but somehow, financial service providers are failing to connect with customers on these success factors," says Ray Kong, senior vice president, Ipsos Loyalty. "While our research ndicates that customers are satisfied with the level of service they receive, they experience very little personal connection to their financial service brand."

Around the world, in each of the three years for which data is available (2005, 2007 and 2009), banks have received their lowest customer scores for brand differentiation and brand affinity (21 percent, 28 percent, 34 percent for differentiation; 20 percent, 24 percent, 33 percent for affinity), while continuing to receive the highest scores for operational satisfaction (49 percent, 52 percent, 56 percent).

"In the wake of the global financial crisis, in which many financial services brands have suffered, low differentiation and affinity may leave financial services organizations vulnerable to new offers and/or entrants who are able to establish a more emotionally-based loyalty or compete on price," says Kong. For more information visit www.ipsos-na.com/loyalty.

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user reputation, trending content reports, search word analysis and heat maps.

OmniSocial is currently available. The full feature list, application and widget catalog and pricing are available upon request. For more information visit www.mzinga.com.

Techneos updates SODA platform; teams with Ipsos for mobile research

Vancouver, B.C., research company Techneos has released version 1.3 of its SODA research application, which incorporates enhancements and new features, such as pre-loaded surveys that enable previously-known information like addresses, database lists or results from other surveys to be pre-populated and assigned to individual participants or interviewers for completion. Other highlights to version 1.3 include messaging and collaboration; enhanced double-byte language support; data cleaning; and Microsoft Excel 2007 compatibility.

Separately, Techneos has collaborated with Paris research company Ipsos to launch technologies and applications for mobile research. Their latest project called The Great British Weekend was conducted during the May 2010 Bank Holiday using Techneos' survey research application, SODA, across multiple Nokia and BlackBerry devices. For more information visit www.techneos.com.

Thumbspeak opens doors; debuts mobile network and iPhone app

Scottsdale, Ariz., research firm Thumbspeak LLC has opened for business and launched its Thumbspeak Mobile Opinion Measurement Network; the Thumbspeak Mobile Application for the iPhone; and the Thumbspeak Mobile Targeting Tool. Once the Thumbspeak Mobile Application for the iPhone is downloaded, the user can register by answering attribute questions (i.e., age, gender, education, employment, marital status, location). After registration is complete and the user has joined the Thumbspeak Mobile Network, businesses can begin to ask questions and offer rewards directly from Thumbspeak's Web site. The iPhone application is free and available at the iTunes Store. For more information visit www.thumbspeak.com.

The NEA makes its foray into social media; releases study findings

The National Endowment for the Arts, Washington, D.C., has released results of its Audience 2.0: How Technology Influences Arts Participation study and launched YouTube and Facebook channels. The findings in Audience 2.0 are intended to help arts organizations better understand their audiences' uses of technology and electronic media. The YouTube site (www.youtube.com/neaarts) will feature videos from the Endowment highlighting NEA programs, art events, speeches, artist profiles, among other content. NEA Facebook (www.facebook.com/pages/washington-dc/national-endowment-for-the-arts/33192104484) will include status updates on new NEA content; photos and videos of Heritage Fellows and NEA Jazz Masters; and audio samples of NEA Jazz Moments and podcasts. For more information visit www.arts.gov.

GfK study results reveal the XTreme Shopper

GfK Consumer, a division of GfK Custom Research North America, New York, has released results from Future Buy, its first-annual integrated study of shopping behaviors, including the emergence of the XTreme Shopper, a consumer who seeks out and makes use of all technologies and information resources available in order to take control of their shopping and purchase experience. Additional highlights from the 2010 Future Buy study include the role of emotion among the new breed of shoppers; the importance of mutuality and co-creation in brand loyalty; and the new shopping value equation. For more information visit www.gfkamerica.com.

MarketTools releases updated EFM solution; takes Zoomerang social

San Francisco research company MarketTools Inc. has released the latest version of its enterprise feedback management (EFM) solution MarketTools CustomerSat. Updated features include several social media enhancements, such as listening, social media measurement, analysis and engagement; services and training in EFM and social media deployment; an enhanced dashboard and user interface; a new analytics report center; and optimized action management for the contact center.

The updates to MarketTools CustomerSat are intended to represent the company's vision for the future of EFM, which includes a standard that allows organizations to optimize the customer experience by incorporating integrated listening, advanced analytics and multichannel action management. For more information visit www.markettools.com.

Separately, MarketTools' online survey solution Zoomerang has expanded its capabilities to allow users to launch online surveys on Facebook and Twitter. For more information visit www.zoomerang.com.

Western Wats offers two new panel tools

Orem, Utah, research company Western Wats has released its mobile survey research solution, Western Wats mobile, which is designed to detect and optimize surveys for mobile browsers and deliver surveys via SMS text message. The Western Wats mobile panel consists of mobile users who've explicitly agreed to engage in survey research via their mobile device.

Separately, Western Wats has debuted {n}fusion sampling, a sampling methodology intended to expand and diversify the reach of online sampling frames beyond managed panels by combining the company's managed panel with additional samples from mobile phone users, phone-to-Web recruits, social communities and river respondents. For more information visit www.westernwats.com.

The Learning Incubator aims to reach U.S. Hispanics

Culturati Research and Consulting Inc., San Diego, has debuted the Learning Incubator, an online tool intended to combine online panels and the use of intimate online communities to conduct research with the U.S. Hispanic demographic. The Learning Incubator aims to allow brands to interact with target consumers through Expert Panels, which last four-to-eight weeks and have eight-to-10 participants. The panels are managed by a moderator. The community feature allows marketers to post questions on the community wall and receive immediate results, and the survey feature can be used to gather quantitative data or be integrated into Expert Panels to complement the findings.

Additionally, the tool also functions as a virtual community. Known as Expresandote.com to panelists, the site offers community forums, daily health tips and quotes. For more information visit www.culturatiresearch.com.

New tool to take retailers SURFing

MMR Research Worldwide, Oxfordshire, U.K., has developed an optimization tool to help consumer packaged goods brands determine optimum product ranges for both size and structure. SURF (steal and unduplicated reach and frequency) aims to measure the power to displace and sources of steal and then calculate the predicted impact on sales of any change in the product lineup. SURF was created to advance the industry-standard method, TURF (total unduplicated reach and frequency), which relies on appeal to assess overlap and breadth of interest as a basis for decision-making. The technique was devised by MMR Research Worldwide. For more information visit www.mmr-research.com.

Briefly

Stamford, Conn., research technology company FocusVision has enhanced its InterVu video-enabled online focus group solution. InterVu is designed to allow companies to conduct research across different remote locations with full two-way audio and video capabilities. With the latest updates, the offering also incorporates InterVu Archive. InterVu Archive has the same functionality as FocusVision's Streaming Archive, which aims to allow users to mark their research, make clips and reels, receive video-synchronized transcripts, download audio podcasts and request a CD of the research. For more information visit www.focusvision.com.

Ipsos OTX MediaCT, a Los Angeles research company, has launched LMX, an annual syndicated study designed to explore the media habits of young families, involving 2,000 online kids ages 6-12 and their parents. LMX Family consists of two waves: (M) eDiary, conducted among children to capture past-day activities, and an activities and usage module, involving kids and parents that surveys device ownership, usage and co-entertainment activities. For more information visit www.ipsos-na.com.

Berkeley, Calif., research company NeuroFocus has developed its eight-dimensional Luxury Perceptual Framework, identifying the "little moments of luxury" that exist in consumers' precognitive responses to NeuroFocus clients' brands, products, packaging, in-store marketing, advertising and customer service. The Framework includes consumer reactions to the following eight dimensions: more; variety; purpose; rare and unique; time and labor; me; care and details; and aesthetics. For more information visit www.neurofocus.com.

20|20 Technology, a division of 20|20 Research Inc., Nashville, Tenn., has added four languages to the 13 already supported by QualBoard, the company's bulletin board focus group platform. The four new languages are Hindi, Thai, Indonesian and Dutch. For more information visit www.2020research.com.

New York research company Universal Survey and its partner

Survey Healthcare have established physician and health care professional panels across the major European, Asian and Russian markets. For more information visit www.universalsurvey.com.

Dallas research company Toluna has launched a weekly data-driven newsletter called TolunaTopics, which is intended to provide a snapshot of interesting factoids gathered from the Toluna community. Additionally, Toluna has rolled out its UPS (Unified Panelist System) 10.0 globally. For more information visit www.toluna-group.com.

The Institute for Corporate Productivity, Seattle, has launched WorkforceSurveys.com, a market research panel dedicated to the human capital practices of high-performance organizations. Human capital and human resources professionals are invited to join the panel to participate in workforce productivity surveys. For more information visit www.i4cp.com.

Boston research company Invoke Solutions has rolled out a new business division and product for the DIY survey market called groketeer. The tool's features include an easy-to-use interface; automated charting of survey data; data filtering; statistical testing; data display customization; creating PowerPoint slides; creating Excel crosstabs reports; and data sharing. Groketeer will operate as a separate strategic business unit within Invoke Solutions. For more information visit www.groketeer.com.

The NPD Group, a Port Washington, N.Y., research company, has released The Retail and Brand Landscape Report Series 2010, which examines the shopper engagement process. For more information visit www.npd.com.

Surge Research, New York, has expanded fielding of its omnibus survey and polling offering to seven days a week. The company's surveys pertain to communications and public relations professionals. For more information visit www.surgeresearch.com.

New York research company WorldOne has expanded its panel to over 500,000 phone-verified medical professionals in over 30 countries. For more information visit www.worldone.com.

D3 Systems, a Vienna, Va., research company has released Comparison of Women's Aspirations and Daily Lives In Common Practice in Northern Sudan and Egypt, survey data contrasting the desires and daily lives of Muslim women in the named regions. For more information visit www.d3systems.com.

London publishing house Routledge has published Protecting Main Street, a book by Paul Lubin, president of Lubin Research, New Rochelle, N.Y. The book addresses detecting and preventing discrimination and unfair practices in the financial service industry. For more information visit www.routledge.com/books/details/9780415996013.

EMI - Online Research Solutions, Cincinnati, has developed an internal digital fingerprinting technology called SWIFT (sampling with integrated fingerprinting technology) Dashboard. SWIFT Dashboard is designed to generate a user stamp made up of non-personal information to screen someone from entering a survey more than once. EMI plans to roll out its algorithm to respondents in fourth-quarter 2010. For more information visit www.emi-ors.com.

The 2010 Out Now Global LGBT Market Study from Out Now Consulting, the Netherlands, has expanded into three additional countries: Poland, South Africa and Australia. For more information visit www.outnowconsulting.com.

Bellomy Research Inc. (BRI), Winston-Salem, N.C., has released version 1.1 of its SmartIDEAS Community application, which is designed to allow members of BRI's private market research online communities to upload mobile pictures via the application. The applications also displays the monthly Points Leader Board used for monthly incentives. Version 1.1 is available for members and sponsor clients as a free download at the iPhone App Store. For more information visit www.bellomyresearch.com.

IPinion LLC, a Lewis Center, Ohio, division of Chennai, India, research company Dexterity, has rolled out its technology and panel for iPhone, iPad and iPod Touch users. Panel members can download iPinion from the App Store and participate in market research surveys, in-store studies and ethnography studies. For more information visit www.ipinionrewards.com.

San Francisco research company Peanut Labs has launched two global online panels in Italy and Spain. The panels, Social Media Italy and Social Media Spain, are intended to profile an online population of social media users. For more information visit www.peanutlabs.com.

Saskatoon, Saskatchewan, research company Itracks has launched a Facebook app for its panel members. The application, developed with Cologne, Germany, research company Globalpark, is designed to allow Talk Now panel members to access market research opportunities, review their survey history, refer friends and check point balances from their Facebook account. For more information visit www.itracks.com.

EDigital Research, Hampshire, U.K., has released eConcept-Test, a solution designed to help marketers test and examine ideas, services or products on the general public. EConceptTest blends qualitative and quantitative insight tools with the goal of providing marketers with opinions, emotional responses and rational thinking to create a proposal for new features or services. For more information visit www.edigitalresearch.com.

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MobileWave, which owns the market research social networking platform and mobile phone app PlanetOi'. Following the acquisition, Fieldbury has changed its name to MobileWave Group PLC.

London research company **YouGov PLC** has acquired **Harrison Group LLC**, a Waterbury, Conn., research consulting firm. Harrison Group's clients will receive access to YouGov's services.

Portland, Ore., research software company **SurveyMonkey** has acquired Seattle research firm **Precision Polling**. Precision Polling co-founders Gaurav Oberoi and Charles Groom will stay employed with the company out of Seattle.

Research company **comScore Inc.**, Reston, Va. has acquired the products division of **Nexius Solutions Inc.**, a Reston-based business solutions company. The acquisition is intended to strengthen comScore's mobile offerings. The division of Nexius will be integrated into comScore's existing telecom and wireless practice. Nexius co-founder Nadim Taleb will join the comScore senior management team as executive vice president, comScore wireless solutions.

Encino, Calif., research company **uSamp** has acquired Dallas research division **DMS Insights** from AOL. The DMS Insights company name is not expected to change, and its brands and properties will remain active.

New York research company **Hall & Partners** has acquired **Open Mind Research Group**, Melbourne, Australia.

Alliances/strategic partnerships

San Antonio nonprofit **Startech** has collaborated with Mountain View, Calif., research company **Frost & Sullivan** to create a program to offers savings and benefits to select technology startups. The program is designed to accelerate the success of early-stage startups by providing access to Frost & Sullivan Growth Partnership Services, including market, technology, customer and best practices research and access to industry analysts.

Market Publishers Ltd., London, and Lyon, France, information services company **Enerdata** have formed a partnership authorizing MarketPublishers.com to distribute and sell Enerdata's research reports.

Stamford, Conn., research company **InsightExpress** and Seattle marketing company **Meteor Solutions** have formed a partnership combining Meteor's brand advocate identification system with InsightExpress' ad effectiveness measurement via InsightExpress' AdInsights solution.

MSW Research, Lake Success, N.Y., and Oldsmar, Fla., research company **Loop Analytics** have partnered to form **msw loop - mobile strategy & insights**.

Association/organization news

The Marketing Research and Intelligence Association (MRIA), Toronto, has partnered with Montreal-based **McGill University**'s Department of Continuing Education, Career and Management Studies to develop online Certified Marketing Research Professional (CMRP) core courses. Under the contract, McGill will design and deliver 10 customized learning modules for the MRIA's CMRP core curriculum.

Awards/rankings

Chicago research company **Synovate**'s Hong Kong division has been voted the No. 1 research company in both quantitative and qualitative categories as part of ***Marketing Magazine***'s Agency of the Year 2010 survey. This award represents a ranking in Hong Kong and is based on selection by senior client-side marketers on which research agencies they would most likely hire to manage their business.

Sharon Paik, vice president of Ipsos Health, a New York research company, was awarded second prize for her brand positioning research at the European Pharmaceutical Market Research Association's annual conference in Berlin in June 2010.

Marisa Pope of Jackson Associates Research, Atlanta, received the 2010 Distinguished Service Award from the **Marketing Research Association**, Glastonbury, Conn.

The Market Research Council, New York, has named **Gerry Lukeman**, chairman emeritus at Cincinnati research company Ipsos ASI, as one of the 2010 inductees to the Council's Hall of Fame.

Evolution Marketing Research, Blue Bell, Pa., received the People's Choice Award at the Philadelphia-based Pharmaceutical Business Intelligence and Research Group's annual general meeting for its "Speaking Your Customer's Language: Using Patient Profiling to Make the Buying Process Actionable" poster. James Heasley and Michael Heasley authored the poster content and stood as presenters during the event's poster showcase.

Georgian College, Barrie, Ontario, has named Toronto research company **Ipsos Reid** as a distinguished partner. As part of the college's Board of Governor's Awards of Distinction program, the award recognizes partners in the community who have "made an exemplary contribution in support of student access and success, as well as the mission and goals of the college."

Martin Cerda, founder

and research director of Miami research company Encuesta Inc., received the HispanSource Award for Achievement in Hispanic Marketing Research, presented by **Aguilar Productions** and the **James J. Hill Reference Library**, both of St. Paul, Minn., at the Hispanic Marketing Midwest Conference in Minneapolis in June 2010.

New accounts/projects

New York research company **TRA Inc.** has signed an agreement exclusively licensing the intellectual property of New York marketing management firm **Media Trust** to add new ROI features intended to Media TRAnalytics, TRA's online advertising measurement system.

Portland, Ore., research company **Rentrak Corporation** has entered into contracts to provide its TV Essentials and/or StationView Essentials local market TV measurement services with the following broadcasting companies: **Cowles California Media Company**, Salinas, Calif., and **KHQ Inc.**, a division of The Cowles Company; **Raycom Media**, Montgomery, Ala.; **Trinity Broadcasting Network**, Santa Ana, Calif.; **Charter Communications**, Town and Country, Mo.; **Meredith Corporation**, Des Moines, Iowa; **London Broadcasting Company**, Dallas; and **Gray Television**, Atlanta.

Surrey, U.K., research company **EasyInsites** has been selected to build and maintain an online custom research panel (EasyPanel) for British retailer **WHSmith**. WHSmith's Privilege Club reward system will be used as a source for building the EasyPanel.

Wells Fargo, San Francisco, has renewed its agreement with Little Rock, Ark., marketing technology **Acxiom Corporation** to manage its customer and prospect database and provide customer insights.

San Francisco research company **MarketTools Inc.** has entered into a partnership with **West Interactive**, an Omaha, Neb., customer contact solutions company, to offer West Interactive's Insight Customer Intelligence survey solution.

Separately, MarketTools has added five companies to its TrueSample Quality Council: **Capital One**, McLean, Va.; Dallas research company **e-Rewards Inc.**; **Samsung** Electronics, Seoul, South Korea; **Unilever**, Rotterdam, the Netherlands; and Orem, Utah, research company **Western Wats**.

Port Washington, N.Y., research company **The NPD Group** and **Best Buy Co. Inc.**, Richfield, Minn., have extended their agreement to share point-of-sale data through February 2013.

MSN, Redmond, Wash., has selected New York researcher **The Nielsen Company** to provide online audience measurement of MSN's advertising portal properties in Taiwan.

Oslo, Norway, research software company **Confirmit** has adopted Gurgaon, India, research firm **Annik**'s SurveyFlashTools offering to integrate Flash components into its surveys.

Responsibilities of the **ABC News Polling Unit**, New York, have been transferred to **Langer Research Associates**, New York.

Reston, Va., research company **comScore Inc.** has adopted Westport, Conn., research company **Imperium**'s RelevantID digital fingerprinting system to provide duplicate respondent screening.

Austin, Texas, research company **Kinesis Survey Technologies LLC** has incorporated San Francisco research company **Peanut Labs**' OptimusID digital fingerprinting system into its Kinesis Survey solution.

The National Hockey League's **Pittsburgh Penguins** have signed an agreement with Columbia, Md., research company **Arbitron Inc.** to provide Arbitron's Portable People Meter radio ratings services in Pittsburgh. As part of the agreement, the Penguins will receive individual game and season estimates along with pre- and post-game estimates.

New companies/new divisions/relocations/expansions

Reston, Va., research company **comScore Inc.** has opened offices in Spain and Portugal. The offices will collectively be called **comScore Iberia**. Media Specialist Jaime Agulló will serve as general manager for comScore Iberia.

Miami research company **Medimix International** has opened a location in Bacolod, the Philippines.

Portland, Ore., research company **Rentrak Corporation** has opened a Chicago office.

Dean Wiltse, former CEO of Dulles, Va., research company Vovici, has launched **Thumbspeak LLC**, a Scottsdale, Ariz., research company focused on mobile networking and measurement.

Research Now, a London division of Dallas research company e-Rewards Inc., has relocated its German offices in Hallbergmoos. Additionally, Research Now has opened an Indian office in New Delhi.

Stamford, Conn., research technology company **FocusVision** has opened an office in Singapore, dubbed FocusVision Asia.

Cincinnati research company **Burke, Inc.** has completed its headquarters move to new offices in downtown Cincinnati.

GfK Business & Technology, a division of GfK Custom Research North America, New York, has opened a West Coast location in San Francisco.

Separately, GfK Custom Research North America and

London research company **The Kantar Group** have formed the Promedius Group, a noprofit consortium dedicated to online data quality. The Promedius Group will initially operate in the U.S. and expand into other markets in 2011.

New York media company **SourceMedia** has launched a syndicated research and data business to operate in tandem with its existing operations. The unit will be led by Jim Moore, managing director, research and data.

New Orleans research company **Jackson Square Group** has launched its subsidiary **Federated Sample**.

Portland, Ore., research company **Revelation** has relocated its headquarters to 1200 NW Naito Parkway, Suite 630, Portland, Ore., 97209.

Skim, a Rotterdam, the Netherlands, research company, has opened an additional Rotterdam research facility called **Triggerpoint**, designed for conducting qualitative research.

Denver research company **Sprout Strategy** has launched **GEM**, a qualitative research recruiting company, with locations in Denver and Chicago.

Turner Research Network, Atlanta, has opened a West Coast office in Seattle.

Manchester, U.K., research company **B2B International** has opened offices in London and Shanghai, China.

Nuremberg, Germany, research company **The GfK Group** has launched an independent subsidiary in Saudi Arabia and opened a Kenyan branch of its Retail and Technology sector.

California research companies **Insightlink Communications Inc.** and **GrayInsight** have moved headquarters to 80 S. Lake Avenue, Suite 680, Pasadena, Calif., 91101. The firms can be reached at 866-802-8095.

Paris research company **Ipsos** has created the **Ipsos Open Thinking Exchange**, an organization within Ipsos to be led by Shelley Zalis.

Research company earnings/ financial news

The GfK Group, Nuremberg, Germany, has acquired the outstanding shares of the **GfK Mode** subsidiary in India and **GfK Kynetec** in the U.K. In Brazil, GfK's subsidiary IFR has increased its stake in Shopping Brasil.

Additionally, from April to June 2010 GfK generated EUR 328.7 million in sales.

InsightsNow Inc., Corvallis, Ore., announced revenue growth of 54 percent in fiscal-year 2010 over 2009.

BrainJuicer Group PLC, London, reported revenue growth of 48 percent for the first half of 2010.

E-Rewards Inc., Dallas, has completed its $6.75 million mixed-securities offering with eight investors.

The Nielsen Company, New York, announced financial results for the quarter and six months ended June 30, 2010. Reported revenues were $1,270 million, an increase of 7 percent over the same period in 2009 of $1,182 million. Reported operating income was $182 million, compared to $172 million in 2009.

Reported revenues for the six months ended June 30, 2010, were $2,466 million, an increase of 8 percent over the prior-year period. Reported operating income was $314 million compared to $284 million for the first half of 2009.

Separately, Nielsen plans to raise $2.01 billion through an initial public offering, according to an August 2010 U.S. regulatory filing.

Kadence International, Framingham, Mass., reported a 10 percent revenue increase for the financial year 2009-2010. Net revenue increased from $11.7 million in 2008-2009 to $12.8 million.

Vision Critical, Vancouver, B.C., released its operating results for the first half of 2010. Total revenues were up 43 percent over the first half of 2009 on a constant currency basis.

National Research Corporation, Lincoln, Neb., announced results for second-quarter 2010. Revenue for the quarter ended June 30, 2010, was $14.1 million, compared to $13.6 million for the same quarter in 2009. Net income was $1.7 million, compared to $1.6 million for the second quarter of 2009.

Revenue for the first half of 2010 increased 4 percent to $31.5 million, compared to $30.3 million for the same period in 2009. Net income increased 12 percent to $4.8 million.

ComScore Inc., Reston, Va., reported revenue of $42 million for the second quarter of 2010, an increase of 34 percent over the second quarter of 2009 and a quarterly record.

Ipsos, Paris, achieved growth of 14.3 percent in the first quarter of 2010 and 21.4 percent in the second, making 18.1 percent for the first half of 2010. The company's organic growth was 6 percent in the first quarter and 9.1 percent in the second, giving growth of 7.7 percent for the first half of 2010.

IPerceptions Inc., Montreal, reported second-quarter revenues of $1.2 million, up 10 percent over the same period in the previous year. Gross margin as a percentage of revenue was 64 percent for the second quarter of 2010, compared to 58 percent for 2009. Net loss and comprehensive loss was $597,383, compared to $981,600 for the prior-year period.

Names of Note
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Verschoor as managing director, Shanghai, China, and Rotterdam, the Netherlands, respectively.

David Bakken has joined Honeoye Falls, N.Y., research consultancy *KJT Group* as vice president, scientific methods. The company has also added **Nan Burgess Whitman** as director, qualitative methods.

Lloyd Wohlner has been hired as a senior consultant at *Evolution Marketing Research*, Blue Bell, Pa. Additionally, **Chris Leonard** has joined the company as director, client services.

Adrian Wilkinson has been named social research information specialist at *Bellomy Research Inc.*, Winston-Salem, N.C. **Michelle Browder** has also joined the company as research manager.

Research Now, London, has expanded its team in Munich, Germany, to include **Oliver Tjarks** as manager, client development, and **Philipp Willmann** as client development executive. Additionally, **Siddhartha Dutta**, client development director, India, has been chosen to lead the company's office in New Delhi.

Boston research company *Chadwick Martin Bailey* has promoted **Amy Modini** to account director of the company's health care research team.


Tjarks


Willmann

Stacy Graiko of Sentient Decision Science has been appointed to the board of the *New England Marketing Research Association*, Portsmouth, N.H.

Dan Dillon has been named senior vice president, brand development, of *Ruby Tuesday*, a Maryville, Tenn., restaurant chain. Research will be among his responsibilities.

Chicago research company *Synovate* has named **Mamapudi Nkgadima** managing director of its African Response division. Nkgadima will be based in Bryanston, South Africa.

Todd Trautz has been promoted to vice president, research services, of Stamford, Conn., research company *InsightExpress*.

George Ciardi has been named president of *Future Thinking*, a Danbury, Conn., research company.

Mike Bandick has joined *Ipsos Understanding UnLtd.*, a Cincinnati research company, as vice president, health.

Cambiar, a Phoenix research consultancy, has made **Monica Wood** partner of the company. Wood will join the firm's Research Impact Consulting practice.

Smarty Pants, a Johnson City, Tenn., research company, has appointed **Patty Clark** as senior research director.


Wood


Clark

Quick Test/Heakin, a Jupiter, Fla., research company, has promoted **Rachelle Riedlinger** to manager, Heakin Research, Fort Worth, Texas; and **Nick Delaney** to weekend project manager, entertainment. The company has also hired **Rachel Bulette** as manager, Quick Test Inc., San Francisco; and **Paulette Diedrich** as manager, QuickView-Phoenix, Mesa, Ariz.

New York research company *Ipsos Health* has appointed **Robert Ramirez** as vice president, partnership development.

Knowledge Networks, a Menlo Park, Calif., research company, has hired **Karen Goldstein** as vice president, CPG/retail. Goldstein will be based in Chicago.

Corey J. Leibow has been named president and CEO of Mountain View, Calif., research company *Crowd Science*.

Radius Global Market Research, New York, has promoted **Lesley Brooks** to senior vice president and **Jamie Myers** to director.

Encino, Calif., research company *uSamp* has named **Chuck Miller** chief research officer and **Melanie Courtright** vice president, client services.

David Shanker has been appointed global president of *Ipsos Observer*, a Los Angeles research company.

Dean Kratsios has joined *Phoenix Marketing International*, a Rhinebeck, N.Y., research company, as senior vice president of the company's health care division.

Dallas research company *Toluna* has hired **Jeff Scott** as president, Toluna North America, and **Ron Franscella** as chief revenue officer, North America.

Mila Zenarosa Sharaf has been named research associate of *Harper Global*, an Indianapolis research company.

Donovan Batiste has been promoted to vice president, research and media planning, for *Hallmark Channels*, Studio City, Calif.

Target Research Group, Nanuet, N.Y., has appointed **Heidi E. Balkema** to lead its health care division.

John Bremer has been hired as chief research officer of Boston research firm *Compete*.

Nancy Brigham has been named vice president, global operations, North

America sample access and engagement, of *Ipsos Interactive Services*, a Bucharest, Romania, research company.

James Conrad has joined Toronto research company *Hotspex* as executive vice president.

London research company *Verve* has added **Betty Mai** as partner, Verve Australia and New Zealand; and **Chantal Brady** as online community manager. Both will be based in the company's Sydney, Australia, office.

Ned Greenberg has joined Ipsos *OTX MediaCT*, a Los Angeles research company, as vice president, syndicated solutions.

Hebert Research Inc., Bellevue, Wash., has named **T. Ron Davis** senior vice president, marketing and sales.

G & S Research Inc., Indianapolis, has promoted **Laura Aspling** to senior project manager and **Sara Melchi** to associate analyst.

San Francisco research company *MarketTools Inc.* has appointed **Rod McGeary** to its board of directors.

London communications company *Chime* has added **Jessica Snow** to its research and engagement division as research executive.

Media Monitors, a White Plains, N.Y., research company, has appointed **Catriona McGinn** as sales executive, new business development.

Echo Stats Research, Fort Lauderdale, Fla., has hired **Stephen Craig** as vice president, international division.

Framingham, Mass., research company *Kadence International* has hired **Alex Smith** as research manager and **Sabrina Molteni** as research analyst. Both will join Kadence's U.K. office. Separately, **Alena Rossini** has joined the company's Singapore office as insight director.

Mary F. Maguire has been named senior vice president, strategic communications, of *Abt Associates*, a Cambridge, Mass., research company.

Julia Beaver has joined London research company *GfK NOP* as head of GfK NOP research panels.

The Market Research Society, London, has appointed **Rowland Lloyd** of Ipsos MORI as its U.K. chairman. His term will begin in April 2011.

Heather Yorke has been promoted to research manager of *McCallum Layton*, a Leeds, U.K., research company.

Horsham, Pa., research company *TNS* has hired **Margit Huber** as director, global human resources, talent management and culture.

Millward Brown, a Naperville, Ill., research company, has appointed **Jorge Alagón** as head of global innovations. Additionally, the company has named its neuroscience team: **Barbara O'Connell**, based in Connecticut; **Pawel Ciacek** and **Iwona Kolodziejczyk**, based in Poland; **Andrew "AJ" Jerina**, based in India; and **Luis Gabriel Mendez**, based in Mexico.

Jigsaw Research, London, has appointed **Monique Rotik** to lead its media and communications practice.

Portland, Ore., research company *Rentrak Corporation* has hired **Philip Duddy** as director, client services, advanced media and information division. Rentrak has also promoted **Chris Behnke** to vice president, software development; **Dustin Encelewski** to vice president, product management; and **Kim Hadfield** to director, software development. Additionally, Rentrak has appointed **Nancy (Benedict) Beall** as director, local sales, Midwest region. Beall will be based in Chicago.

Ci Research, Cheshire, U.K., has hired **Anthony Shephard** as senior research executive and **Kelly Millen** as graduate trainee research executive.

calendar of events

Featured Event

uSamp will hold a one-hour Webinar focused on its SampleMarket panel software platform on October 27 at 11 a.m. PDT. For more information or to register visit www.usamp.com/technology/sample-market/register.

The Qualitative Research Consultants Association will hold its annual conference on **October 13-15** in Philadelphia. For more information visit www.qrca.org.

ESOMAR will hold its annual online research conference, themed "E-Universe: The Power of Listening," on **October 17-19** in Berlin, Germany. For more information visit www.esomar.org.

ESOMAR will hold WM3, a conference on worldwide multimedia measurement, on **October 19-21** in Berlin, Germany. For more information visit www.esomar.org.

The Life Insurance and Market Research Association will hold its annual meeting on **October 24-26** at Gaylord National Hotel and Convention Center on the Potomac in Maryland/Washington, D.C. For more information visit www.limra.com.

PMRG will hold its annual meeting of The PMRG Institute on **October 24-26** at the Westin Boston Waterfront. For more information visit www.pmrg.org.

Geoscape will hold its annual multicultural marketing summit on **October 27-29** in Miami. For more information visit www.geoscape.com/welcome-letter.aspx.

The ARF will hold its 2010 ARF Industry Leader Forum, themed "Discovering Consumer Insights," on **October 28** at the New York Athletic Club. For more information visit www.thearf.org.

The Marketing Research Association will hold its First Outlook and Expo conference on **November 2-4** at the Walt Disney World Swan in Orlando, Fla. For more information visit www.mra-net.org.

IIR will hold its annual conference, "The Market Research Event 2010," on **November 8-10** at the Hilton Bayfront in San Diego. Use code TMRE10QUIRK when registering to save 20 percent off standard rates. For more information visit www.iirusa.com.

The Marketing Research Association will hold its annual fall education conference on **November 10-12** at Walt Disney World in Orlando, Fla. For more information visit www.mra-net.org.

ESOMAR will hold its 2010 conference on innovation on **November 14-16** in Barcelona, Spain. For more information visit www.esomar.org.

The Society of Insurance Research will hold its annual conference and exhibit fair on **November 14-17** in Jacksonville, Fla. For more information visit www.sirnet.org.

ESOMAR will hold its qualitative research conference, themed "Foresight on Moods and Thoughts," on **November 16-18** in Barcelona, Spain. For more information visit www.esomar.org.

The Japan Marketing Research Association will hold its annual conference on **November 25-26** at the Westin Tokyo. For more information visit www.jmra-net.or.jp/pdf/conference2010.pdf.

The Market Research Society will hold its annual conference on **November 29-December 3** in Boston. For more information visit www.mrs.org.

The Merlien Institute will hold a conference, themed "Market Research in the Mobile World 2010: The Next Frontier," on **December 2-3** in Berlin, Germany. Use code QUIRKS20 when registering to save 20 percent off standard rates. For more information visit www.merlien.org/upcoming-events/mrmw2010.html.

ESOMAR will hold its 2011 consumer insights conference, themed "A New World Order In Shopper Marketing," on **February 27-March 1** in Brussels, Belgium. For more information visit www.esomar.org.

ESOMAR will hold its annual Asia-Pacific conference, themed "Increasing Value Through Simplicity," on **March 20-22** in Melbourne, Australia. For more information visit www.esomar.org/apac.

The Advertising Research Foundation will hold its annual RE:THINK! convention and expo on **March 21-23** at the New York Marriott Marquis in Times Square. For more information visit www.thearf.org.

The Pharmaceutical Marketing Research Group will hold its annual national conference on **March 27-29** at JW Desert Ridge in Phoenix. For more information visit www.pmrg.org

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.

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trade talk

By Joseph Rydholm
Quirk's editor

Is pressure from cashiers corrupting customer sat?

The first time it happened, I didn't give it much thought. Probably just an overzealous store clerk trying to stand out from the rest of the pack, I figured. But after the fifth or sixth time that a cashier concluded a sales transaction by urging me to complete a satisfaction survey (the details of which could be found on my receipt) and asking me to give them high marks and/or mention them by name, I started to wonder what was going on.

Over the past year or so, I've been the recipient of this unsolicited coaching at a fast-food restaurant, a drug store chain and at national home improvement and pet-food retailers. It got me to wondering: Did I miss something? Had there been some fundamental shift in the rules governing how employees can deliver satisfaction surveys to customers?

Granted, the problem of salespeople coaching customers to give them high marks is not new. It's been well-documented in the automotive realm, where in some cases it can go beyond coaching and veer toward something darker, as in the case of a friend of mine who was almost physically prevented from leaving a dealership by a salesman, who pleaded with him to be given top marks across the board on the post-sales satisfaction survey.

Become more common

Experiences such as mine are not widespread but they have become more common outside of auto sales, says Dave Fish, division vice president of automotive research, Maritz Research, Torrance, Calif. "You are seeing more and more of it at the retail level. Whenever you put a metric to something, people are going to try to influence it. Sometimes they do so in the easiest way they can, which is, rather than changing their behavior, they try to influence the score. It is sometimes easier to convince a customer to change their rating than actually to improve the service that you are providing," he says.

In auto sales, one root cause of overzealous coaching is that there is a lot more at stake than just research. "Jobs are sometimes on the line," Fish says. "And if you walk into an auto dealership, it can range from anything from, 'You're going to get a survey in the mail and we'd appreciate it if you would turn it in' - and that's not bad, in my mind - to every shade of gray all the way down to, 'If you don't give me all top-box, my boss is going to fire me.'"

Obviously, at the retail level, things are not as make-or-break, as transactions are smaller in dollar amount and cashiers are being judged on a larger total number of transactions. Still, that doesn't seem to be stopping them from wanting to influence the process, at least in the instances I encountered.

But who's initiating the problem? Is it the individual employees or their store managers? Or someone higher up? "It could be all of the above," says Andy Fromm, president and CEO of Service Management Group, a Kansas City, Mo., research firm. "It could be an individual who just wants to be recognized. It could be a store manager who wants their bonus improved. It could be a district manager or a regional manager - any one of those folks who lacks the integrity to try and improve the customer experience and is just focused on the short-term."

The behavior of a rogue clerk can, in theory, be corrected by monitoring and retraining. But what do you do about instances such as my experience at the drug store chain, in which my receipt was stapled to a photocopied sheet of paper - about 4x6, with a grainy corporate logo at the top – bearing the following:

How did we do today? My name is _______________. It is our goal to provide all customers with friendly, helpful service. If you received great service today, please call the number on your receipt and give us a score of a 9! If there is anything that we could have done better, please let us know that too.

If you do call and complete the survey, your name will be entered into a monthly drawing to win $3,000!!!

Thank you for choosing Drug Store Chain X

"If it's an associate doing it and it's not tied to money, it's less egregious," Fromm says. "It's more about retraining them and telling them the right way to do it. When you get into management and there are bonuses associated with it, it's more of a concern."

"Our recommendation," Fish says, "is that you have a very clear policy with your franchisees or branches, or whatever the outlet is that we are talking about, and you make it explicit about what employees can and can't do – what is and what is not cheating. It's OK to remind people about the survey. It's not OK to offer a free oil change for all top-box scores."

Part of the problem

In many instances, the customer satisfaction measurement system is part of the problem. "I think the root cause is that companies are using the metrics much more to make clerks accountable and using them as performance metrics, where we as researchers like to believe they are using the information to make process improvements and diagnose what is going on with the system. When a clerk's job is at stake with these kinds of surveys then they get very attuned to having customers give them a good score," Fish says.

To avoid placing too much emphasis on the scores generated by satisfaction surveys, Fish says that for some clients, Maritz recommends a combined performance metric that has behavioral aspects to it along with customer satisfaction measurement. And also, management shouldn't make it an all-or-nothing situation, where the worker has to get, say, all top scores in order to be viewed as performing well. "What really fuels it is the amount of pressure that you put on one score. The more pressure you put on one score, the more likely people are going to try to influence it," Fish says.

Active management

As with so many business undertakings, it all comes down to training and active management, Fromm says. "When you have people who are new to measurement, if it has been poorly explained, if there is too much focus on the numbers instead of the real experience, you can get people who go out of bounds. But great leadership straightens that out pretty quickly. When you do that, you get organizations that don't go out of bounds because they are focused on the measurement."

Beyond derailing the customer satisfaction process, this type of respondent coaching simply hurts the retailers in the long run, as it undercuts the systems that are designed to help them identify problems and deliver excellent service, Fish says. "If you are monkeying with your metrics, and spending millions of dollars to measure customer satisfaction, and you are trying to influence people to respond to a survey in a way that's different than the way they truly feel, you are wasting a lot of money. You are collecting customer feedback but you are interfering with what the truth is. So you are preventing yourself from being able to fix institutional or systemic process problems because you screwed up your dashboard."

Both Fish and Fromm said their respective firms monitor the satisfaction results of their clients for problems such as this and take appropriate action. "When we look at rooting it out, we look for anomalies in the data to indicate something is going on," Fromm says. "So when we see a bump in scores, we look. When we see extreme variations in scores or if a certain region or certain stores are performing especially well, we look. We have a dozen different areas that we flag, such as mentioning people by name. Sometimes that's good. But when you have an exception, it's worth asking the questions to find out what's going on."

More companies care

Both also said they don't feel the problem is getting worse, my own experiences notwithstanding. In fact, they said it tends to be more of a regional concern than a national one, when the problem flares up. "The good news is that more companies in this economy care about measurement because they are understanding the importance of retaining clients and customers and they are looking to measure performance, and that's critical. So there is clearly a bigger focus on measurement," Fromm says. |Q

Corrections & Amplifications

In the June 2010 issue of Quirk's, the article "Where can we make a difference?" included substantial portions that were written by Marie Lemerise, president of the Tapestry Group, a Brooklyn, New York, research firm, without proper attribution.

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online and offline

News about Quirk's and quirks.com

Planning your fall conference schedule? Don't miss the discounts

Going to an event this fall? Quirk's has partnered to serve as a media sponsor for numerous upcoming research shows, including conferences held by the AMA, MRA, ARF, PMRG, Merlien Institute and the IIR (The Market Research Event 2010). As part of the agreements, Quirk's has also arranged for discounts for its readers. Discount codes, when available, are listed on our online calendar, so visit quirks.com/events to help plan your upcoming conference season.

Quirks.com gets a facelift this fall

This fall Quirk's plans to launch a revised Web site. In addition to an updated look, the new site will include added features our users have been asking for, such as pull-down menu navigation and an expanded screen size. Although the new design will – we hope! – be easier on the eyes and to use, its primary purpose is to enable us to offer various new site features – all designed to help those that conduct, coordinate, use and/or purchase marketing research.

Some old, some new - Quirk's announces 2011 editorial topics

The 2011 editorial calendar has been set! In addition to Quirk's tried-and-true topics like advertising research, customer satisfaction and B2B, we have also added an editorial focus on shopper insights and split health care/pharmaceutical research into two separate print editions. Visit tinyurl.com/quirksed-cal to check it out. To submit an article for consideration, send materials to Quirk's Editor Joseph Rydholm at joe@quirks.com. Additionally, to submit a press release about company goings-on for one of the Quirk's departments (i.e., Names of Note, Product and Service Update, Research Industry News, etc.), send materials to Quirk's Content Editor Emily Goon at emily@quirks.com. Quirk's reserves the right to edit any materials submitted for publication.

cover-to-cover

Facts, figures and insights from this month's issue

> Voice-of-the-customer survey programs are sometimes expected to provide a recipe for cooking up a perfect dish of customer loyalty. A pinch of this, a dash of that and voila! Scores go up. In reality, what the recipe actually says is, "Season to taste." In the absence of precise instructions, managers will often feel that they have been set up for failure. *(page 20)*

> During the discussions, it came as no surprise that most respondents use a debit card more frequently than a credit card, particularly in this economy. Yet the quantitative research indicated the appeal was even greater for credit cards than debit cards, as consumers view a credit card as having more potential liability and hassle if problems occur than a debit card. *(page 31)*

> A healthy relationship requires functional and personal benefits that manifest as a sense of reliability, satisfaction, trust and commitment. For a business to strengthen customer relationships it must have a measurement system to evaluate these dimensions and an understanding of the specific relational activities required to support them. *(page 58)*

> As staggering proof of technology's value in mature couples' lives, a TV in the bedroom is rated more important than regular sex for Boomer women. *(page 73)*

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To register, send an e-mail to contest@quirks.com with your complete contact information. Please include "Toluna Contest" in the subject line. Deadline to enter is October 31, 2010. The winner will be selected at random and announced in the December issue of *Quirk's*.

Congratulations to July's winner, Keith Malo of Valpak Direct Marketing. The winner received a year's worth of Q licenses for everyone in his company up to $50,000.

Congratulations to August's winners: Chad Harris, Competitive Edge Research; Diane Iseman, Diane Iseman & Associates; Erica Garleb, Dunn Humby; Glenn Jamieson, Advance Analytics; Zivile Norvilaite-Petersen, United Health; Joyce Young, Fruit of the Loom Inc.; Miles Pongrass, Society of Manufacturing Engineers; Rafael Hernandez, Hispanic Marketing Insights; Amber Simos, Indiana Wesleyan University; Jeffrey Adler, Centrac DC Marketing Research. Winners received a Q Professional software license.