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constructs

Notes on MR
in LATAM

A look at the
Goldilocks approach

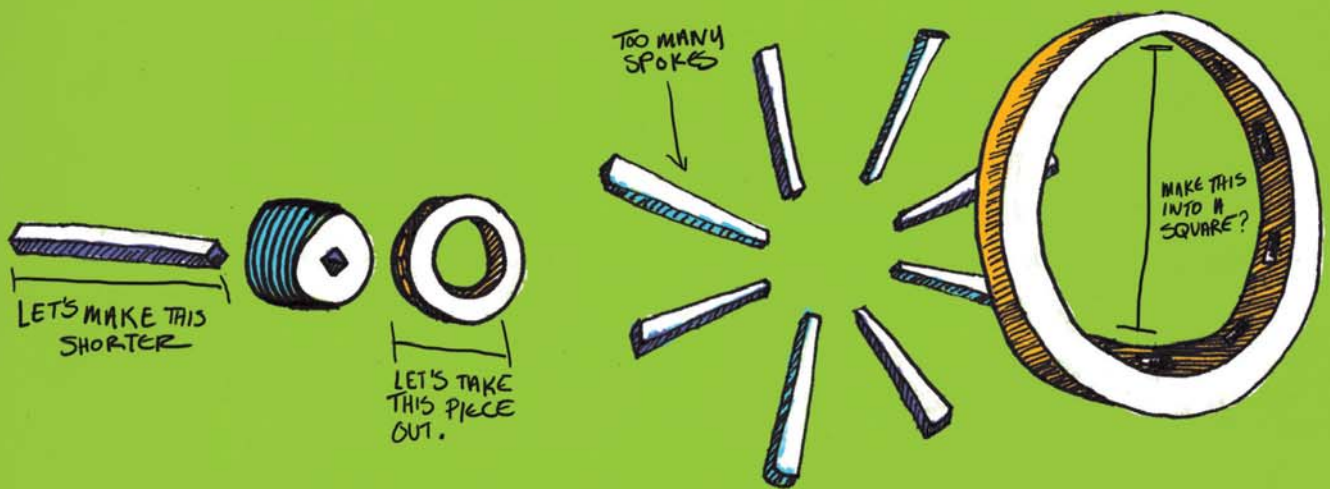
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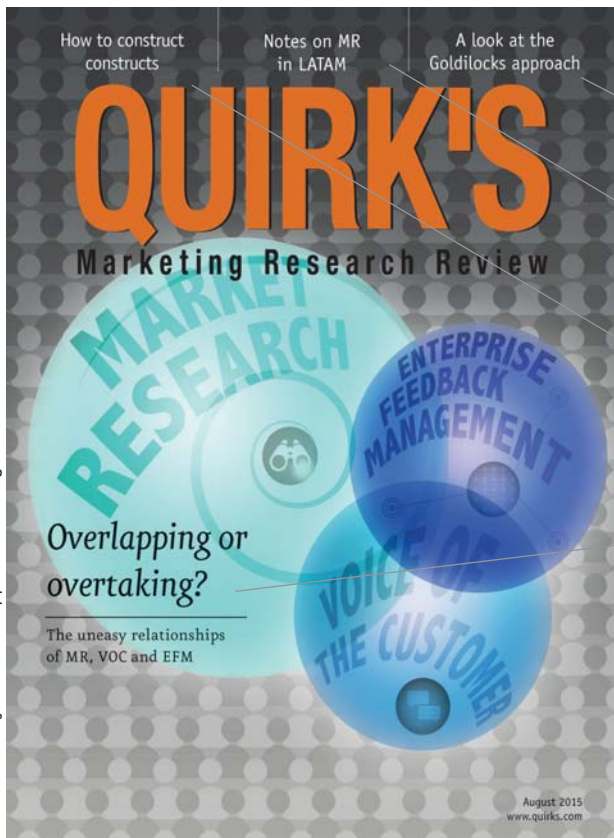
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●●● health and beauty research

Department stores see increase in beauty-product sales

Mass retailers still reign supreme for shoppers when it comes to stocking up on beauty products, with 42.5 percent of total beauty shoppers turning to mass retailers for their beauty needs in 2014, a slight decrease from 43.7 percent the previous year, according to an ongoing shopper behavior study conducted by the Integer Group and M/A/R/C Research.

Despite upgrades to the beauty aisle at both Target and Walmart, shoppers haven't quite latched on to the idea of "mass-tige." They continue to seek out upscale beauty experiences elsewhere. Department stores, such as Nordstrom and Macy's, saw the biggest increase in shoppers looking for their beauty needs.

Shoppers say it's because department stores offer high-quality products, all of the products they are looking for and they get to try before they buy. Those reasons are also what draw shoppers to specialty beauty. The study also shows more people buying beauty purchases through Amazon.com, with the percentage doubling in 2014.

Overall, few shoppers conduct online research to find the best beauty products for them. Women conduct the most online research in the category, and, aside from search engines, they rely on retailer Web sites, brand Web sites and beauty blogs for information. Males rely on retailer and brand Web sites

equally and then turn to magazine Web sites. Social media remains the least-used resource, according to the study. However, women drive the use of Pinterest as a beauty resource.



●●● retailing research

Not much shrinkage in loss-prevention budgets

According to the National Retail Federation/University of Florida National Retail Security Survey, retailers say inventory shrink averaged 1.38 percent of retail sales, or \$44 billion, in 2014.

Specifically, retailers surveyed estimate that shoplifting accounted for the largest part of reported shrink in 2014 – 38 percent, followed by employee/internal theft (34.5 percent), administrative and paperwork errors (16.5 percent), vendor fraud or error (6.8 percent) and unknown loss (6.1 percent).

When it comes to loss-prevention budgets, 39.4 percent of those surveyed say their budget for 2015 increased over last year; just over one-third (36.6 percent) said their budgets would be similar to what they were last year – leaving 23.9 percent of respondents with decreased resources.

Richard Hollinger, criminology professor at the University of Florida and lead author of the NRSS for the past 24 years, notes this year's shrink percentage is the lowest seen in the survey's history. "Loss prevention professionals have done a commendable job of elevating the issue of shrink and retail fraud within their own companies and with industry insiders and the public, but the battle wages on to find ways to contain further losses to their businesses," said Hollinger.



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Canadian study shows governments struggle with MR too

Earlier this year, Canada's Marketing Research and Intelligence Association (MRIA) released results from a study it undertook to explore how data and information – with a focus on public opinion research data – are used in Canadian governance and policy making and how such usage could be improved.

A set of 39 in-depth interviews was conducted with members of government, politicians, political strategists, media members, academics, opinion research experts and heads of think-tanks, NGOs and other national associations.

As I read the executive summary (you can find it at <http://mria-arim.ca>) I was struck by how familiar the complaints were to those frequently cited by users of business-related marketing research and insights data.

Substitute “company” or “organization” for “government” in the following passages from the MRIA report and you'll see what I mean:

The opinion leaders routinely identified three perceived shortcomings in the data used by government.

Longitudinal data have gaps. This inhibits the government's ability to identify and

track trends and to effectively address emerging issues and challenges (e.g., how to react to an aging population, how to react to a changing climate).

Data are not sufficiently rich nor detailed. This limits the government's ability to conduct the analyses needed to understand issues fully and in all their complexity (e.g., understanding changes over time, understanding differences between groups of people).

Data are often outdated. This problem is increasingly difficult to address in a world where even the most up-to-date information can become irrelevant in a relatively short period of time.

Shortcomings identified less frequently include:

- data that is partial or limited;
- gaps resulting from information that is not being collected (e.g., lack of national environmental tracking data);
- difficulty transforming massive amounts of data into useful information;
- difficulty identifying and measuring data because of its nature (e.g., how to measure the integration of new citizens); and
- answering the “why” question (e.g., why outcomes are not being achieved, why people think the way they do).

Apply the same approach to this passage on the perceived shortcomings in the way information is used by government.

Subordinating evidence to politics was the most frequently identified perceived shortcoming in the way government uses information. This was seen to take various forms, including:

“Cherry-picking” or focusing on information that supports a certain agenda or policy and at the same time ignoring or dismissing information that does not.

Employing a self-serving, partisan bias in the decision-making process (e.g., what will



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enhance electoral success rather than what constitutes sound policy).

Basing policy on hunches, unfounded assumptions or anecdotal evidence instead of research-based evidence.

Giving greater importance to the opinions of a certain audience even when the issue relates to a broader population.

Three other perceived shortcomings in the way government uses data were also identified relatively frequently:

- insufficient analysis of data;
- focusing on shorter-term considerations instead of longer-term considerations; and
- too many restrictions on data-linking and -sharing, which ultimately impedes the government's ability to collect and use relevant information.

A dismissive chuckle?

So, what's your response to the study findings? A dismissive chuckle? A pained nodding of the head? A feeling of *schadenfreude*? All of the above? For me, it's comforting (for lack of a better term) to know that business insights professionals aren't the only ones who struggle with these problems. When you're dealing with data and a host of stakeholders with competing agendas, varying skill sets and disparate views on the value of the research process, you end up fighting the same types of battles, no matter which sector you work in. **1**



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••• advertising research **Higher isn't always better**

Study examines role of positioning in Google paid search

Globally, the top two media for advertising are television and the Internet, and when it comes to the latter, advertisers spend more of their budget on paid search than anything else. Businesses know the position of an ad on a search results page can have a significant impact on click-through rates. But just what that impact is has never been clear.

Advertisers usually assume that the higher an ad appears on a page, the more clicks it will get, and, ultimately, the more sales will be made.

But research from Stanford Graduate School of Business professor Sridhar Narayanan shows that especially for well-known advertisers, a higher position doesn't always pay. Narayanan and Santa Clara University professor Kirthi Kalyanam found that less well-known brands benefit most from a high position because it gives them a chance to catch the consumer's eye. (Their paper is titled "Position effects in search advertising: a regression discontinuity approach.")

This is especially true when consumers search for a product or service for which that smaller advertiser is less well-known. "If it's Amazon.com versus a small retailer, the Amazon ad is likely to catch our attention at any position because we recog-

nize the brand," says Narayanan. "Whereas a small advertiser with weaker experience with consumers benefits much more from being in a higher position." They also found that though an ad's position on a page can affect click-through rates, certain positions don't have much effect at all. "It's way smaller than correlational estimates would suggest," says Narayanan. "Sometimes a third or a fourth as small."

The researchers gained access to data that allowed them rare insight into the effects of position in paid search advertising on Google. "Position is the main variable firms have available to them with search advertising," says Narayanan. "Up until now, though, we haven't had a good way of measuring the true causal impact of that placement."

One reason is that the placement of search ads – which appear when a user searches by specific keywords or phrases – is determined by more than just the amount of money spent. Google also decides upon an ad's placement using its own "quality score," primarily determined by the advertiser's expected click-through rate and an ad's relevancy to consumers. "If Google expects more people to click on a particular company's ad, [that ad] gets a higher quality score," says Narayanan. That makes it impossible to tell whether an ad is getting lots of clicks because of higher brand recognition or a higher position on the page – or if consumers plugging in particular search terms would buy any product listed at the top of a page.

Narayanan and Kalyanam wanted to find the answer. They used Google search advertising data from four companies that had once been competitors, all large consumer product



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retailers. (The researchers were not allowed to release the company names or details about the category.) The largest firm, a 50-year-old nationwide chain, had acquired the other three, but for a period after the acquisition they still operated independently, with separate advertising strategies. Narayanan and Kalyanam analyzed each company's search advertising data – information that competitors never see about one another – including bidding history, ad positions, click-through rates, sales numbers and Google quality scores. Using an analytical tool known as regression discontinuity, Narayanan and Kalyanam conducted something very similar to a randomized experiment in order to determine the true impact of an ad's position on its performance.

When these four competitors were advertising on Google, the top ad positions were just below the search box and the first ad on the right side of the page. The data showed that consumers click more often on the ad just below the search box than they click on the top ad on the right side of the page. Both positions received about 20 percent more clicks than the positions right beneath them. Still, says Narayanan, this doesn't mean that higher is always better. There was actually no increase in clicks for ads that moved from third to second position. "This is important because these advertisers were paying much more for position two than three, yet they were getting no increase in clicks," he says.

Ads in the third position in the right column got 10.7 percent more clicks than those in the fourth position. That third position is unique, says Narayanan, because it is located immediately to the right of the first organic link (not a paid ad) and tends to draw the user's eye. The other significant position is the ad just below the point where a consumer begins scrolling down to see more links. Right-side ads that appear

after scrolling are in positions five through eight; within those positions, Narayanan and his colleague found that moving from position six to five netted a 16.7 percent increase in clicks, and moving from position seven to six increased clicks by 19.5 percent. There was no increase, however, in moving up from position eight to seven.

The most significant finding, says Narayanan, is that higher isn't always better. "When consumers already have lots of experience with a brand and its products," he says, "being at a higher position in search results really doesn't make much of a difference."



●●● asian-american research

Asian-American shoppers make health a priority

A preference for branded over private-label

Most Asian-Americans believe beauty starts from the inside out – a sentiment reflected by grocery baskets that overindex with fresh meats, vegetables and fruits. But Asian-Americans take a holistic approach to beauty and spend more than average in the health and beauty department, too, according to a Nielsen report.

The report, Asian-Americans:

Culturally Connected and Forging the Future, shows that Asian-Americans spend 70 percent more than the average share of the U.S. population on skin care preparation products, 25 percent more on fragrances, 15 percent more on hair care, 12 percent more on personal soap and bath and 7 percent more on cosmetics.

Personal care maintenance and the desire to live healthy lifestyles are also imperative to Asian-American shoppers. They spend 22 percent more on oral hygiene, 28 percent more on sanitary protection and 6 percent more on vitamins than average. With a median age of 35, Asian-Americans are younger than non-Hispanic whites (42), so they also spend more than average on family-planning (39 percent more) and baby care (31 percent more) products.

Millennial Asian-American women (aged 18-34) who are heads of their households know what they want and demand the best quality. In fact, an extreme affinity for branded products makes them less likely than non-Asian-American Millennial woman to choose private-label brands. When asked about brand and private label preferences, Asian-American women are more likely to agree with the following statements:

- Name-brand products are worth the extra price.
- Private labels have non-appealing packaging, which deters me from buying.
- Private labels are not suitable where quality matters.
- I don't know enough about private labels to try them.
- I don't feel comfortable serving private label products to guests.

Millennial Asian-American women not only care deeply about their own appearances, they also shop for the men in their households. They purchase men's toiletries 9 percent more frequently than non-Asian-American female heads

of households and spend 20 percent more on average.

Marketers looking to reach Asian-Americans should consider offering cosmetic consultations and free product samples to increase trust and a willingness to try new items.

Other findings in the report include: Asian-American buying power equaled \$770 billion in 2014 and is expected to reach \$1 trillion by 2018. Asian-Americans are 31 percent more likely than average to buy organic foods and are 23 percent more likely to evaluate the nutrition of products. Eighty-eight percent of Asian Americans own credit cards, compared with 66 percent of the general population. Asian-Americans are leaders when it comes to technology, mobile and social media usage and they watch and download more movies than any other ethnic segment.



●●● education research Community colleges on par with four-year colleges

Web-based programs lag

Americans are about as likely to rate the quality of education that community colleges offer as “excellent” or “good” (66 percent) as they are to rate four-year colleges this positively (70 percent), reports Gallup’s Justin McCarthy. Americans

are about half as likely to rate the quality of Internet-based college programs – those offering online-only courses – as excellent or good (36 percent).

These results are based on a June 2-7 Gallup poll. Gallup first asked this question in 2013. Americans’ opinions of each form of higher education are essentially the same as in that initial poll, with two- and four-year educational institutions rated similarly on quality and Internet-based programs lagging behind.

Community colleges are front and center in a national debate on the affordability of higher education, with President Obama proposing that the U.S. make community college tuition free. While advocates of higher-education access cheer the greater admission rates at community colleges, these two-year institutions face different challenges, such as lower graduation rates and the task of transitioning students into four-year schools and, ultimately, the workforce. However, Americans view the quality of community colleges similarly to that of four-year schools.

Americans with advanced education rate four-year colleges and universities more highly than community colleges, by nine percentage points, but all other education groups view community colleges and four-year schools similarly.

Adults younger than 30 hold four-year colleges in a bit higher regard than they do community colleges, by 12 points, whereas older Americans’ views of the quality of both are similar.

Roughly a quarter of Americans with postgraduate education (27 percent) believe the quality of online learning is excellent or good, less than the 40 percent of college-only graduates who say the same. Across age groups, there is relatively little difference in ratings of online education.

Though it may be harder to gain acceptance into and afford four-year

colleges and universities, Americans view the quality of education they provide as no better than that of community colleges. However, the public does not rate the quality of online education as positively as that of either two- or four-year colleges.

Gallup has found that although a third of Americans say online programs do a better job of providing broader curriculum choices and good value for their cost, many Americans believe they lack in some key areas, including reliable testing and grading, high-quality instruction and their value to potential employers. Online education is not an either/or proposition, as brick-and-mortar colleges routinely incorporate online coursework in their offerings. But in terms of college programs that are solely Internet-based, it seems unlikely that they are going to overtake traditional colleges anytime soon in public perceptions of quality.

Results for this Gallup poll are based on telephone interviews conducted June 2-7, 2015, with a random sample of 1,527 adults, aged 18 and older, living in all 50 U.S. states and the District of Columbia. For results based on the total sample of national adults, the margin of sampling error is ± 3 percentage points at the 95 percent confidence level. All reported margins of sampling error include computed design effects for weighting. Each sample of national adults includes a minimum quota of 50 percent cellphone respondents and 50 percent landline respondents, with additional minimum quotas by time zone within region. Landline and cellular telephone numbers are selected using random-digit-dial methods.



●●● restaurant research Diners want tech on the menu

A taste for smartphone-based tools

In only a few short years, digital amenities like online ordering and mobile payment have gone from futuristic novelties to modern necessities for restaurant consumers, and new research from Chicago research firm Technomic confirms that people expect more from a brand's technology offerings than ever before.

The Chicago-based market research firm reported in a white paper that several smartphone-enabled conveniences have become very important to restaurant consumers, especially Millennials. While digital pioneers like the national pizza chains are recognized for well-integrated technology, overall relatively few consumers strongly agree that a restaurant they recently visited used technology to improve their experience, indicating a big opportunity across the industry.

"Technology-friendly service in restaurants has become important to consumers broadly, and to Millennials and Generation Z customers, it's essential," says Colleen Rothman, manager of consumer insights for Technomic. "Consumers will continue to look to pizza chains and fast-casual brands for the latest and greatest digital platforms but

they also will expect all restaurants to integrate many technologies that have become a fact of daily life everywhere. Mobile apps for loyalty points and rewards, free Wi-Fi and mobile ordering and payment will grow more important in the years ahead."

Based on results from over 100,000 consumers polled by Technomic's Consumer Brand Metrics program, nearly two-in-five called loyalty and rewards programs important or very important to their decision to visit a restaurant. The percentage was even greater for Millennial customers, 50 percent of whom called digital-loyalty offerings important for limited-service restaurants and 53 percent for full-service restaurants.

Millennials also attached greater importance than the overall population to free Wi-Fi, online or mobile ordering and mobile payment, regardless of restaurant industry segment.

Consumer Brand Metrics also surveyed people about their most recent occasion to one of 134 restaurant brands and sought their ratings for three technology-related attributes: the integration of technology into the ordering process, the ability to pay for an order using technology and whether a restaurant's use of technology improved the guest experience. Composite scores of the three attributes found fast-casual restaurants boasted the best segment average, with 34 percent of consumers rating them highly, compared with 32 percent for quick-service and 30 percent for full-service.

The fast-casual and quick-service sectors also outperformed the full-service segment on their average ratings for integration of technology into the ordering process. Several fast-casual brands are leading the charge into the adoption of touchscreen ordering kiosks. In full service, interactive menus and gaming platforms on tablets helped drive strong consumer ratings.

However, each industry segment has opportunities for growth in one crucial metric. Only 13 percent of quick-service, fast-casual and full-service consumers strongly agreed, "This restaurant's use of technology improves my experience." Access the white paper (registration required) at: www.technomic.com/resources/white_papers/the_tech_tide.



●●● millennials research Study examines how to keep Millennial workers happy

Mentor me but let me be me

Millennials (Generation Y – aged 15-35) will hold 15-16 jobs over their careers. This "turnover generation" is costing businesses billions. The average cost of turnover is a whopping 21 percent of every employee's annual salary, with Microsoft's turnover cost alone estimated at \$681 million.

A recent survey-based study aims to keep Millennials happy and reduce turnover by uncovering important aspects of keeping them in the workplace. The study is the first in a series performed by the pricing survey company Atenga Inc. in collaboration with generational expert and film director, Josh Tickell.

The first study reveals that while Millennials share many of the same

values in terms of significant life choices to their Baby Boomer counterparts, Millennials are lacking support at work in the areas of mentorship, purpose and self-expression.

Millennial respondents, 67 percent more than Baby Boomer respondents, reported that having a great mentor at work is important. “Formal mentorship programs have sprung up in a number of Fortune 500 companies as part of their onboarding process, so it’s no surprise that Millennials want mentoring as part of their job,” says Tickell, a study co-author. A workplace in which the generation with experience and knowledge fails to provide mentoring will be rocky place to work for young hires. This can cause turnover.

The study found that companies must work harder to make their Millennial employees’ work purpose-driven. Respondents from the Baby Boomer generation said they were 67 percent more interested in making more money than doing good. However, Millennial respondents weighed making more money on par with “doing good.” Millennials entering the workforce are significantly more purpose-driven than members of their parents’ generation. If work has a greater social purpose, they are more likely to stay.

In nine separate categories of items that could express individuality, Millennials showed they value self-expression up to eight times more than Baby Boomers. Companies with strict anti-tattoo policies, strict dress codes and strict policies against “personalizing” one’s area of work are a no-no for keeping young people at their jobs. Today’s workplace (like Millennials themselves) is about customization, individuality and choice.

A short video captures the highlights of the study on YouTube at www.youtube.com/watch?v=qPo37e3IZwU. The full study is available as a free downloadable PDF at www.atenga.com.



... digital marketing Big data’s still a big problem for marketers

Behavior-based research
still the preferred MR tool

A study based on input from more than 400 U.S. marketers spanning brands, media companies and agencies shows marketers still struggling to effectively use big data. Getting Digital Right 2015, by Boston agency Millward Brown Digital, uncovered other key findings in the world of digital marketing.

Despite the industry importance placed on big data, only 14 percent of marketers expressed confidence in their organization’s ability to use the data available to them. Most surprisingly, this represented a 25 point drop from the Getting Digital Right 2014 study, where 39 percent of respondents expressed confidence in their company’s ability to use big data effectively.

Consumer behavior-based research is still the preferred research tool, with 67 percent penetration among marketers. With nearly 70 percent of marketers expecting their behavioral insights needs to continue to grow over the next three years, the study showed that behavioral research will continue to be marketers’ focus. Audience measurement followed just behind, with 61 percent

of marketers utilizing that type of research to gain a better understanding of how and where to reach their targets.

Mobile, social and digital investments remain dependent on demonstrated ROI: 80 percent of marketers would increase media allocation for mobile and digital marketing channels, and 74 percent would increase on social, if ROI tracking for those channels improved. Further, 50 percent indicate that demonstrating ROI is a top criterion for determining media budget allocations and many feel ROI tracking needs significant improvement. In addition, mobile and social channels continue to see increased adoption, growing 4 percent and 2 percent in usage, respectively, since 2014.

When it comes to designing an ideal media allocation, only 50 percent of agency and media marketers and only 25 percent of brand marketers are confident in their current media mix. Over 50 percent of marketers ranked the ability to reach target audiences as a key factor in determining media budget allocation. Further, given the previously-mentioned need for further consumer behavior research and audience measurement, it’s perhaps not surprising that marketers are actively trying to find the optimal media mix.

“To an extent, marketers are still catching up to the speed at which digital has evolved. They continue to explore how to truly understand a dynamic consumer, how to create a best-in-class marketing research program, what an optimal media allocation looks like, and how to better measure and enhance total marketing ROI,” says Stephen DiMarco, president, Millward Brown Digital. “As far as digital has come over the past few years, this study shows that we still have quite a ways to go.” Download the study at www.millwardbrowndigital.com/getting-digital-right-2015 (registration required).

Q

IN FOCUS

Product and Service Update

●●● online research **20|20 Research updates several platforms**

QualBoard, QualMeeting and QuickQual

Nashville, Tenn., firm 20|20 Research has updated a number of its research platforms. First, QualBoard, the company's bulletin board technology platform, received an updated system and new interface and provides automated participation reports, several new apps for iOS and Android (with plans to soon launch Apple Watch capabilities), new segmentation capabilities, a new dashboard and a temporary chat interface for 24/7 tech support and remote screen sharing. Next, the company's Webcam and videostreaming platform QualMeeting has added an online video portal and extended its virtual lobby process with a single URL for clients and moderators. QuickQual, the company's recruiting tool, provides a process that over-recruits for all quotas to allow researchers to choose which respondents they want to recruit. Finally, the company now offers online dial testing using the firm's nationwide panel.

www.2020research.com



quirks.com/articles/2015/20150804.aspx

●●● research software **MarketSight 10 now available**

Adds new interface, new functions

Newton, Mass., survey analytics and reporting software company MarketSight has released MarketSight 10, offering a redesigned interface and new functionality. This version is designed to provide faster, easier access to the product's functions, with tighter integration across all product features, and offers instant design preview, enabling users to design and see results in real time. Also, enhanced search functions allow users to more easily find and access the information they are looking for across diverse and complex datasets. MarketSight offers flexible subscription pricing options that scale to the needs of customers.

www.marketsight.com

●●● cx research **iPerceptions releases Experience Optimization Solution**

Gathers views from visitors with extreme experiences

Montreal customer research and recognition firm iPerceptions released iPerceptions Experience Optimization Solution, which provides insights for Website optimization and usability teams to improve the customer experience. Brands can collect insights on what is working and highlight areas for improvement from a site optimization perspective by engaging with visitors who are likely to have

extreme positive and negative experiences. Visitor intent and clickstream data, including the pages visited before and after the survey, is integrated into the reporting, contextualizing each visit to help understand the next steps to improve the customer experience. The product includes two types of reporting, an aggregate view for a holistic perspective of the experience and individual real-time push reports for identification, escalation and remediation of individual customer issues.

www.iperceptions.com

●●● mobile research **App allows offline surveying**

Can obtain signatures in the field

iPhone and iPad users can now conduct surveys and gathering data in the field with Detroit-based iziSurvey's latest iOS offline app, which allows users to administer surveys on their mobile devices with or without an Internet connection.

The iziSurvey's iOS offline app provides the same capabilities as iziSurvey's Android offline app (launched in January 2015) including all standard question types, the ability to randomize response options, edit surveys and validate numeric ranges and e-mail. Both the iOS offline app and the Android offline app allow multi-device synchronization so users are not limited to a specific type of tablet or smartphone.

IziSurvey's "signature" feature collects data in the field and includes signatures from those who responded. Signature collection can be helpful for users running a petition as well as for verifying the authenticity of answers/responses. The "preview survey before publish" feature allows users to look over the information for mistakes prior to publishing.

Another new feature is its ability to share graphs and results with others

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www.NationOfNumbers.com



through a shared password. The person who is previewing the survey does not need an account; they simply need the password created by the iziSurvey account administrator.

The app is available to customers who have purchased an offline license. Purchasing one offline license gives customers access to both the iOS and Android applications. Once equipped with the offline service plan, customers can then head to their iTunes Store, search for “iziSurvey” and download the iOS app for free.
izisurvey.com

●●● packaging research MetrixLab offers device-agnostic package testing

Optimized for mobile

Rotterdam-based research firm MetrixLab has released Compact, a quick-turn, device-agnostic package testing solution. Optimized for mobile and built to a standardized design, Compact allows users to holistically understand the visibility, communication and persuasion of packaging designs. It also delivers granular feedback on the strengths and weaknesses of each design to aid improvement initiatives.

Package testing can now be conducted in emerging markets where the predominant devices are smartphones and tablets. The streamlined methodology allows results to be delivered in about a week.

Compact is a validated, monadic methodology that allows benchmarking of new packaging against the current design, competitor designs and the database benchmarks. Category and country benchmarks are available for 20+ countries and provide context for design performance analysis. A combination of visual, implicit and interactive techniques provides insights and is designed to ensure actionability for marketers and designers alike.

Pricing starts at \$5,000 for a first design, with a decreasing average when testing multiple designs.

www.metrixlab.com

●●● Briefly

■ U.K. consumer opinion platform VoxPopMe has launched Theme Explorer, a tool that uses advanced thematic analysis to organize video content into themes. It shows users the themes the platform has identified within the gathered video content, allowing merging of comparable themes and removing irrelevant ones. Users can filter content based on meta-data such as age, gender or responses to survey questions. Once it's filtered, the user is presented with relevant, identified themes that illuminate research findings.
www.voxpopme.com/home

■ London-based E-Tabs has launched a new version of its Graphique, a charting tool for market research reporting. The new features include one-click data refresh, statistical data testing, batch production of slides and the ability to conditionally format reports all within PowerPoint.
www.e-tabs.com

■ Custom Intercept Solutions, a Minneapolis research firm, launched its ConsumerScape service offering, which connects organizations with its consumers in-store.
www.customintercept.com

■ Eindhoven, Netherlands, firm Coosto has expanded its social media analysis to cover 200 countries and 150 languages and is now available for enterprises and multinationals around the world. Coosto now includes data from international review sites like Reddit and large Russian and Asian social platforms along with traditional social media sites like Facebook and Twitter.
www.coosto.com/en

■ South Jordan, Utah, customer experience firm MaritzCX has published a new

e-book, *Customer Experience Is Your Business*, available for free download in ePub and PDF format at www.maritzcx.com/book. A paid Kindle version is also available through Amazon.

■ Ipsos Healthcare has developed a syndicated multi-stakeholder biosimilar impact study to show the impact on cancer treatments of “biosimilars,” versions of biopharmaceuticals created by a different manufacturer following patent expiry. The study will support pharma and biotechs in their decision-making and combine patient-level data from the Global Oncology Monitor with research among doctors and payers.
www.ipsos.com

■ Portland, Ore., researcher Rentrak has launched Rubik, an analytics platform that allows clients to analyze viewing patterns, advertising exposure and the products viewers use and buy against Rentrak's television audience ratings.
www.renrak.com

■ New York customer engagement agency OgilvyOne and London global service design firm we are experience have partnered to launch Customer Lab, a physical research center and virtual resource designed to improve customer engagement.
www.ogilvyone.com

■ Google has partnered with Levi's jeans to begin a new endeavor called Project Lacquard. The two companies are looking to create a smart cloth by embedding conductive fibers into the material itself and adding computing systems the size of buttons. Google said in its blog a new type of yarn combines metallic alloys with natural and synthetic yarns like cotton, polyester or silk, creating a yarn strong enough to be woven on any industrial loom. Google also said these new fabrics will allow everyday objects like clothes and furniture to be made into an interactive surface.

■ New York-based Nielsen, in collaboration with Shenzhen, China, Internet service portal Tencent, launched its digital

ad ratings solution in China.
www.nielsen.com

■ Playa Vista, Calif., public relations and digital marketing firm the Launchpad Agency has launched an app that tracks App Store performance.
launchpadagency.com

■ Reston, Va., digital media analytics firm comScore has launched MobiLens Plus, a tool that combines qualitative survey data and quantitative observed behaviors across smartphones and tablets to provide insights into consumers' usage, attitudes and relationships with their devices.
www.comscore.com

■ Kantar Media has launched TGI Digital Planner, a tool that evaluates campaign placement and uses Kantar Media's TGI insights into consumer online and offline behavior to identify the most appropriate target for an advertiser.
www.kantarmedia.com

■ Reston, Va., digital media analytics firm comScore now offers daily reporting of unduplicated audience, viewability and validation metrics for mobile campaigns. These enhancements combine mobile advertising with what is currently available for desktop display and video campaigns through comScore's validated Campaign Essentials, the company's audience delivery validation solution.
www.comscore.com

■ Wellington, New Zealand, mobile app company Harvest Your Data has launched a new service that gives customers collecting sensitive mobile data the option of storing the data directly to their servers rather than in the cloud.
www.harvestyourdata.com

■ Hong Kong media analytics firm Lamplight Analytics now offers a social intelligence platform tailored specifically for Asia, giving marketers, strategists and business leaders insights into Asian audiences through social and traditional media sources.
lamplight.me

www.quirks.com

■ Havas Media Group has launched a Meta Quality Barometer to increase online inventory and tackle ad fraud. The barometer, developed by the company's consulting and solutions operation Artemis Alliance, delivers continuously-updated data across global, pluri-media campaigns, to share with stakeholders to optimize investments. Artemis Alliance collects detailed and raw data from its technology partners and uses it to analyze and score the quality of media inventory by industry, by market and by media owner.
www.havasmedia.com

■ Google launched Sidewalk Labs, a new company that will focus on improving cities through technology and innovation. The new company, based in New York, will be led by Dan Doctoroff, former CEO of Bloomberg LP and deputy mayor of economic development and rebuilding in New York. The new venture will combine Doctoroff's experience in building and managing cities with Google's funding and support. "Sidewalk will focus on improving city life for everyone by developing and incubating urban technologies to address issues like cost of living, efficient transportation and energy usage," said Larry Page, chief executive of Google, in a Google+ post.

■ Boston research firm Chadwick Martin Bailey has launched Empact, a consumer emotional measurement analysis that informs marketing, customer experience, loyalty and product development strategies.
www.cmbinfo.com

■ Dassault Systèmes, a software company based in France, launched Passenger Experience, a new aerospace and defense industry solution that uses high-end 3-D visualization technology and interactive content to turn engineering data into 3-D design, marketing and sales applications that address all aspects of the cabin design experience
www.3ds.com

■ London strategic insight consultancy Firefish launched its quantitative business, the numbers lab, in the U.S. to bring

quantitative research methods to America and has appointed Emma Jones as associate director.
www.firefish.ltd.uk

■ Alibaba Group Holding Ltd., an e-commerce company based in China, will launch an online videostreaming service in China. The new service, called TBO, or Tmall Box Office, hopes to emulate Netflix and HBO. About 90 percent of TBO's content will be paid for by either monthly subscription or on a show-by-show basis and the remaining 10 percent will be free.
www.alibabagroup.com/en/global/home

■ Tampa, Fla., firm Study Hall Research has launched an updated Web site with an accessible design and content developed by Tampa ad agency PP+K.
www.studyhallresearch.com

■ Ipsos ProductQuest, a product development practice of New York firm Ipsos, has integrated Implicit Reaction Time into its product evaluations. Using this neuroscience approach, Ipsos ProductQuest provides clients with a deeper understanding of consumers' nonconscious perceptions of their products.
www.ipsos.com

■ Madison, Wis., marketing analytics company Networked Insights has launched Pinpoint, a new analytics capability that allows marketers to quickly determine why a metric is up or down. It is available through Networked Insights' analytics platform, Kairos.
www.networkedinsights.com

■ Eindhoven, Netherlands, TV analytics and synchronized ad provider Teletrax launched an insight-driven analytics service that helps clients connect results from TV and online campaigns to better measure campaign performance. The new tool provides advertisers and agencies with a better understanding of the performance of TV-synched ad campaigns, audience scale and engagement rates.
www.teletrax.tv



Max-diff for personality measurement?

| By Keith Chrzan

snapshot

Keith Chrzan looks at the results of a test of a max-diff tool for quantifying the popular five-factor model of personality.

Maximum difference scaling (max-diff) uses an experimentally-designed set of conjoint-like choice questions to put a set of items on a common scale (Finn and Louviere 1992). For example, in a study where we want to understand how much respondents would like 20 different activities we might ask several questions like those shown in Figure 1. Each question would contain a different subset of the 20 activities and across a given respondent's set of questions each activity will appear three or four times.

Marketing researchers primarily use max-diff scaling in two ways. One involves measuring the relative importance of various attributes (some recent examples include valuing the attributes of a retail store; the claims that could be made about a new drug; aspects of a casino's loyalty program; the properties of a type of clothing; the customer experiences at a casual-dining restaurant and so on). Researchers also rely on max-diff for scaling the relative appeal of items in a set – of products (portfolio optimization), product concepts (concept screening) or of colors, flavors or styles (product-line optimization).

Less commonly, max-diff has been used as a general psychometric measurement tool to replace traditional rating scales. For example, Sa Lucas (2004) used max-diff to measure the perceived severity of crimes while Lee, Louviere and Soutar (2008) used max-diff to replace ratings in the Schwartz Value Survey (Schwartz 1992). In both cases

the authors found that max-diff measured the intended constructs well and that external variables validated the max-diff measures of the constructs.

A customer's personality may affect how she makes decisions, what kinds of information she seeks, which brands she trusts and so on. So measuring personality has been of interest to marketers. The following sections briefly review theories of personality, methods of personality measurement and an empirical test of a max-diff tool for quantifying the popular five-factor model (FFM) of personality.

Personality theories and measurements

Temperament theories and trait theories both have their proponents. Temperament theories describe people as belonging to one of several different personality types. Hippocrates' ancient theory of four temperaments (sanguine, choleric, melancholic and phlegmatic) provides an early example and many other examples appear in Bryce's (2002) book. The Myers-Briggs Type Indicator is another example, one wherein one's high/low score on each of four basic psychological functions qualifies a person into one of 16 personality types (INTJ, for example, for someone with high scores on being introverted, intuitive, thinking and judging).

Trait theories, on the other hand, identify dimensions that may be used to characterize personality without suggesting that people fall into any number of discrete personality types. Francis Galton suggested in 1884 that, because people are one of our favorite top-



quirks.com/articles/2015/20150805.aspx

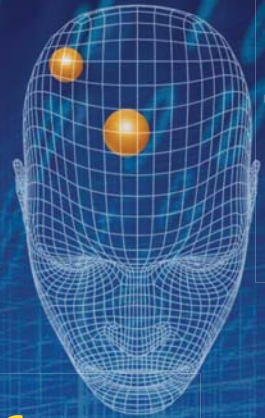
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Figure 1

Assume you have a free afternoon and consider how much you might enjoy different activities.

Which is the **Most Appealing** and which is the **Least Appealing**?

(1 of 20)

	Most Appealing	Least Appealing
Take a walk in the park	<input type="radio"/>	<input type="radio"/>
Catch up on some reading	<input type="radio"/>	<input type="radio"/>
Surf the internet	<input type="radio"/>	<input type="radio"/>
Go shopping	<input type="radio"/>	<input type="radio"/>
Have oral surgery	<input type="radio"/>	<input type="radio"/>

Click the 'Next' button to continue...

ics of conversation, language could be mined to identify personality traits. Allport and Odbert (1936) took Galton's suggestion and categorized 4,500 personality descriptors from the dictionary into a hierarchy of personality traits. More rigorously, Cattell (1965) and Eysenck (1995) used factor analysis of respondents' self-ratings on long lists of personality descriptors to disagree on whether there are, respectively, 16 or just two or three latent personality factors. Many other researchers developed their own lists of traits but over the years a consensus across a large number of studies seems to have coalesced around the five-factor model (Costa and McCrae 1985). As Digman (1990) notes in a review, FFM appears to be the trait theory with the most empirical support.

FFM's five factors are commonly abbreviated as OCEAN: openness to experience; conscientiousness; extraversion; agreeableness; and neuroticism.

The FFM also posits more specific personality traits nesting beneath each of these factors, providing more granularity in understanding personality differences among individual people.

An FFM measurement instrument typically uses a rating scale with verbal anchors about level of agreement or about the extent to which an item describes a person. Longer versions of an FFM questionnaire might have 40 or more items (eight or more per factor) while shorter

versions might have as few as 10 items, two per factor. Some versions of the questionnaire reverse some items for each factor to counteract respondents' inclination to use one side of the rating scale or the other.

we compare a rating scale version of FFM questions to a max-diff version. The ratings version features 20 items, four per factor, and has respondents indicate how accurately each item describes them, using a five-point rating scale. The max-diff version of the FFM instrument uses 15 max-diff questions per respondent, each with four items (one item each from four of the five factors). Figures 2 and 3 show screen shots of a portion of the ratings grid and of a sample max-diff question.

In designing the specific items we had to balance between having sets that were completely identical for ratings and max-diff with the fact that reversed items may help rating scale measures but may seem confusing in a max-diff context. Thus six of the 20 items were reversed in the

Figure 2

Please use the rating scale below to describe how accurately each statement describes you. Think of yourself as you generally are now, not as you wish to be in the future. Your responses will be kept in absolute confidence, so you can describe yourself honestly.

Please read each statement carefully, and then check the circle that corresponds to your reply.

	Very Inaccurate	Moderately Inaccurate	Neither Inaccurate nor Accurate	Moderately Accurate	Very Accurate
I like to be around people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am quiet around strangers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get chores done right away	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am interested in lots of different things	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I take time out for others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have frequent mood swings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Figure 3

Below are four statements that may or may not describe you. Some may describe you more and some may describe you less.

Considering only these four statements, which one describes you the **MOST** and which one describes you the **LEAST**?

(1 of 15)

	Most	Least
I am quiet around strangers	<input type="radio"/>	<input type="radio"/>
I like to see the best in everybody	<input type="radio"/>	<input type="radio"/>
I have a vivid imagination	<input type="radio"/>	<input type="radio"/>
I put things back in their proper place	<input type="radio"/>	<input type="radio"/>

Empirical study

To test the viability of using max-diff measurement to support the FFM

ratings questions but not in the max-diff questions. The specific wording for the 20 items were as shown in Figure 4.

Figure 4: Items Wording

Factor	MaxDiff	Ratings
O	I am interested in lots of different things	I am interested in lots of different things
	I am a creative thinker	I am not a creative thinker (R)
	I have a vivid imagination	I have a vivid imagination
	I am interested in abstract ideas	I am not interested in abstract ideas (R)
C	I pay attention to details	I pay attention to details
	I am organized	I am disorganized (R)
	I get chores done right away	I get chores done right away
	I put things back in their proper place	I often forget to put things back in their proper place (R)
E	I like to be around people	I like to be around people
	I keep in the background (R)	I keep in the background (R)
	I start conversations	I start conversations
	I am quiet around strangers (R)	I am quiet around strangers (R)
A	I like to see the best in everybody	I like to see the best in everybody
	I am interested in other people's problems	I am not interested in other people's problems (R)
	I take time out for others	I take time out for others
	I feel concern for others	I feel little concern for others (R)
N	I have frequent mood swings	I have frequent mood swings
	I get upset easily	I get upset easily
	I worry about things	I worry about things
	I get overwhelmed by emotions	I get overwhelmed by emotions

Each respondent completed both the 20 ratings questions and the 15 max-diff questions, with half of respondents answering the ratings first and half answering the max-diff questions first. For both tasks, items appeared in a random order across respondents. The survey fielded in July 2014 with sample generously provided by Survey Sampling International. A total of 729 respondents, screened to be at least 18 years old, completed the survey. (Incidentally, you can take the max-diff version of the study online at www.sawtoothsoftware.com/ffm. An individualized report will allow you to see how your personality compares to the original 729 survey respondents and to other people who have since taken the survey.)

To evaluate the success of the max-diff measure relative to the rating scale measure we rely on standard psychographic assessments

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Figure 5: Construct Validity

Max-Diff Measures	Ratings Scale Measures				
	O	C	E	A	N
O	0.503	-0.019	0.230	0.073	-0.316
C	-0.103	0.615	0.039	-0.024	-0.321
E	0.231	0.139	0.783	0.287	-0.348
A	0.064	-0.001	0.385	0.472	-0.291
N	-0.263	-0.395	-0.421	-0.314	0.691

Figure 6: Reliability

Factor	Ratings	Max-Diff
O	.63	.88
C	.67	.91
E	.76	.93
A	.65	.89
N	.84	.94

(reliability and construct validity) and on relations of the two measures with external variables as reported in previous research.

One way to assess construct validity is to construct a multitrait-multimethod matrix. The 20x20 table is too large to display here but the summary in Figure 5 tells the story: scores for each max-diff factor are correlated more highly with the corresponding ratings-based factor than they are with other factors measured with either max-diff or with ratings.

In other words, any given diagonal entry in Figure 5 is higher than any other entry in the same row or column. This means that the two measures of each factor correspond well. This analysis gives us no reason to doubt the validity of the max-diff measurement of the FFM.

A scale's reliability quantifies the extent to which a measure of the factor would be the same if we ran the study again on a different day or with different respondents. The standard measure for reliability is called Cronbach's alpha and the rule of thumb for a reliable measure is that alpha should be at least 0.70 or 0.80. Figure 6 shows Cronbach's alpha for the factor measurements.

We can see that measures for all of the max-diff factors pass the higher 0.80 target for reliability while measures for most of the rating scale factors fail even the less-demanding 0.70 threshold. In terms of reliability, max-diff is the hands-down winner.

Figure 7 summarizes relations of the five factors with other variables (Tkach and Lyubomirsky 2006; Sadowski and Cogburn 1997; Kardum and Hudek-Knezevic 2012; Sansone, Wiebe and Morgan 1999; Raynor and Levine 2009). Positive and negative relations found in these studies appear as "+" and "-" signs in the table.

In terms of their correlations with these variables (life satisfaction, need for cognition, pessimism, self-control, healthy behaviors) the ratings personality measures and max-diff measures performed comparably and mostly in line with expect-

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Figure 7: Covariates

Covariate	O	C	E	A	N
Life Satisfaction, Happiness		+	+	+	-
Need for Cognition	+	+			
Pessimism					+
Self Control		+			
Exercise		+			
Getting Enough Sleep		+	-		
Eating Fruit and Vegetables		+			
Smoking		-	+		

tations from previous research: Both were significantly and about equally related to life satisfaction, need for cognition, pessimism, self-control, eating fruits and vegetables and getting regular exercise. When we failed to replicate previous results (for conscientiousness being related to not smoking and for extraversion being related to smoking and not getting enough sleep) both the ratings and the max-diff measures failed to show the hypothesized relationships.

Much better reliability

Max-diff does a good job bringing the five-factor model of personality to life: It performs at parity with a rating scale version of FFM in terms of construct validity and external validation while providing much better reliability. As such, max-diff is a viable tool for researchers to use when they want to include an FFM personality

measurement a survey. More generally, this research confirms earlier findings that max-diff may be a viable measurement methodology for a wider variety of psychological constructs than its current use suggests. 

Based in Chesterton, Ind., Keith Chrzan is senior vice president of Sawtooth Analytics, Sawtooth Software Inc., Orem, Utah. He can be reached at 219-921-9215 or at keith@sawtoothsoftware.com.

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Searching for a clearer voice

Updating the definition of the voice of the customer

| By John Goodman, David Beinhacker and Scott Broetzmann



snapshot

Reacting to several past *Quirk's* articles, the authors attempt to tease apart the knotty relationship of VOC, CX, EFM and MR.

T

The term voice of the customer (VOC) has traditionally been interpreted as being analogous with or part of the domain of marketing research (MR). With the advent of customer experience (CX) and enterprise feedback management technology (EFM), many companies are rethinking VOC, often assigning it to a department other than MR. This battle was most starkly highlighted by a headline on the cover of the November 2014 *Quirk's*, "Is CX out to get MR?" Now that EFM has become primarily a technology play, even more departments like the information technology department are becoming involved.

Our conclusion is that CX will most likely end up owning VOC and that MR is facing a diminished role, especially since leading companies have been wildly successful using their CX to drive customer acquisition via word of mouth. Companies like Chick-fil-A, USAA and Harley-Davidson have indicated that they obtain 70 percent or more of their new customers via word-of-mouth referrals, so there really is not much need for either MR or even traditional marketing. But there is a need to rethink the definition of VOC, which we do below.

Gerry Katz states in his December 2013 *Quirk's* article that some analysts have hijacked the term voice of the customer by completely misusing it.¹ McInnes and Carroll introduce enterprise feedback management and define it primarily as surveys, complaints and social media inputs.² In an article published the April 2014 *Quirk's*, Subbiah and Bosik further complicate the discussion by noting that the hype about big data and EFM is reaching a frenzy.³ The Temkin Group, in both white papers and Webinars, has suggested that text analytics and continuous insights are the key to enhanced VOC impact.⁴ Finally, Whipkey suggests that CX could completely take over MR.⁵ We now have three terms: VOC, MR and EFM. Are they the same or, if not, how do they differ? Our conclusion is that they are different; draw on different data sources; and serve different internal customers.

Katz's criticisms of VOC provide a good starting place. He notes that VOC often does not support radical innovation and fails to facilitate marketing



quirks.com/articles/2015/20150806.aspx



who suggest that VOC is helpful but often not actionable because it primarily looks at customer satisfaction. He suggests that this problem can be solved by going beyond satisfaction to look at the key drivers of satisfaction and loyalty. As he explains, we cannot just look at the fact Johnny got an F, we need to understand why Johnny cannot read. So far, we agree but the true cause of lack of impact is due to other factors.

We believe that most VOC processes do look at key drivers and still have little impact. The lack of basic driver analytical output is not the primary cause of ineffectiveness. As will be noted below, the VOC is often neither packaged to suggest a clear direction of action nor converted into revenue impact implications that motivate action. Further, there are often two sets of key drivers depending upon whether customers have encountered a recent problem.

3. The third segment of VOC detractors are the “Technoevangelists,” who say the new social media and text/speech analytics tool will replace almost all traditional data collection activities. In fact, we think technology will dramatically enhance the accuracy of the description of the customer experience, but in a completely different manner than the articles suggest, by drawing upon internal operating data that describes the customer’s current and future experiences.

Our view is that none of these characterizations are appropriate and are rooted in the incorrect assumption that VOC and MR are the same thing. They are not.

Totally different environments

Current customers and marketing targets (potential customers) reside in totally different data environments. Because of this, how companies see them must be constructed totally differently. VOC studies and reports the experience of existing customers. MR examines “the market” and how to gain new conquests. The dynamics of these two targets, existing customers and future conquests, are totally different. Existing customers have an experience with the product and have already committed to the brand. The key objectives of VOC for this audience are enhancing loyalty by preventing problems, upselling and cross-selling and increasing engagement to foster positive word of mouth. Potential customers most likely are committed to another brand and must be lured away from it. Even the willingness to provide feedback is completely different between the two groups.

EFM is introduced by McInnes and Carroll and further described by Subbiah and Bosik. Both articles describe the key change as creation of an IT

conquests. However, while criticizing the overlapping use of the terms VOC and MR, he never directly states that VOC is not MR.

We believe that they are two different animals. VOC describes the experience of existing customers while MR is primarily aimed at developing the best product and strategy to tap the rest of the market by gaining new customers, usually called marketing conquests. VOC can be used to not only improve future CE but, if properly defined, can be used real-time to enhance current CE. Further, Katz’s analysis limits the sources of data that describe the experience of current customers as well the analysis and use of such data.

We briefly review his critique and then suggest, based on how technology has evolved in the past two years, how VOC must be redefined in much broader terms if it is to achieve its full potential.

Current views are flawed

Katz suggests that current views of VOC are flawed for three reasons, each of which is associated with a set of VOC users:

1. The first set of users discussed are the “Naysayers” who suggest that VOC does not highlight needed innovations. Katz suggests the basic problem here is methodological in that you should not ask customers what they want but rather what they are trying to accomplish. While we agree that this more basic analysis is very effective, a lot of VOC output has to do with enhancing the existing product or process rather than making the next great leap forward.

Customers often are relatively satisfied with the existing offering. If they are not satisfied they would not be existing customers. On the other hand, Starbucks customers, participating in mystarbucksideas.com have suggested almost 200,000 new operating and product ideas, many of which have been successful. While they may have not suggested anything on the level of, say, the Apple Watch, they have supported serious innovation. Our point is that VOC need not only look for radical enhancements.

2. Katz’s second criticism addresses the segment he terms the “Stretchers,”

platform for developing surveys administered via multiple channels, building online communities and analyzing and reporting data from social media and surveys. However, they use the term EFM almost interchangeably with the term big data and fail to describe how much broader EFM can be.

Our June 2013 article in *Quirk's* pointed out that big data, which is not at all related to surveys and complaints, can often more accurately describe the customer experience than can service interactions and surveys.⁶ This is because the company has internal operating data describing the customer's transactions, transaction failures, purchases and shipments, often in more detail than the customer could ever provide via surveys and complaints.

Often, based on internal operating data, you know what the customer experience has been or will be even before the customer does. For example, a delivery company knows from internal data that 500 customers did not receive their shipments on time. Its traditional VOC system only received 200 complaint calls and 100 satisfaction surveys. The internal operational data can be more accurate and timely than the contact data or surveys in estimating the size of the problem.

This data can also be used for immediate, proactive service that dazzles the customer. For instance, ServiceMaster notes an upcoming work order for replacement of a home water heater and proactively apologizes to the customer for their two days of cold showers (raising satisfaction 20 percent just by warning and apologizing in advance).

We do not suggest ignoring traditional data sources. The surveys can best provide a short-term estimate of the damage the problem caused. Long term, a big-data analysis can combine experience and actual sales data to calculate an accurate, verifiable impact of various experiences on total sales, loyalty and revenue. Further, the operational data can actually be used to proactively affect the customer experience by warning the customer in advance that the package missed its connection, for example.

Primary differences

MR, VOC and EFM have different objectives. The following outlines their primary differences.

Figure 1: A View of the Three Types of Data Collection Activities: MR, VOC and EFM

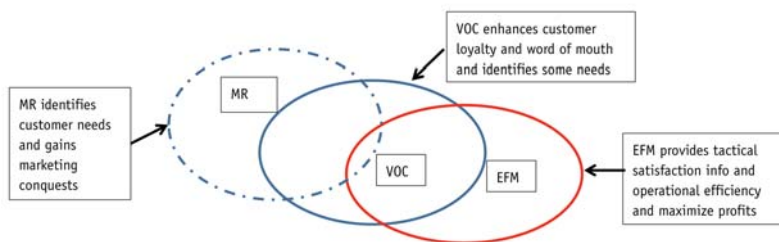


Table 1: Sources of data and their strengths and weaknesses

Source	Strengths	Weaknesses
Internal operational metrics Transaction and system records of what the company did and did not do to/for the customer	Credible to management and useful in problem solving (to the degree that they describe factors that are important to the customer) because they are operations data	Provide a limited view of the customer experience based on only the aspects of operations that management measures (such as billing errors, late deliveries, etc.)
Internal quality metrics Inspection data on defects Call monitoring data Service access data	Allows identification of cause of original contact/problem Provides data on effectiveness of service access and process	Human review is labor intensive Often focused on script compliance vs. broader issues Speech analytics are expensive
Customer contacts and complaints Description of CE from customer perspective including expectations and product use	Very timely and descriptive of the actual customer experience Provides root cause and emotional impact Good source of positive feedback on employees	Data is fragmentary, unrepresentative and must be extrapolated to the customer base
Mobile transaction data While growing rapidly, basically the same as contact, survey and complaint data via other channels	Like contact data, very timely Volume increasing rapidly	Due to restricted input, often cryptic and incomplete
Customer surveys Broad information on CE based on specific questions for relationship and specific transactions	Data can be projected to the customer base and markets (with proper sampling), and ongoing comparable measurements are possible Best analysis of drivers of loyalty	Significantly more costly and often less timely than data from internal metrics and customer contacts
Social media, reviews and communities Public postings from small segment of total customer base Community input can include thoughtful input from super-users	Very timely feedback Community members provide thoughtful input and reaction to company proposals	Information incomplete and hard to get additional details from customers Quality of data is variable
Employee input Can be real time input via e-mail as well as advisory boards and larger surveys.	Can identify process and customer-based causes Can quantify amount of wasted effort due to problems	Surveys often not aimed at service; employees not given results of input to feedback mechanisms

MR is about winning new customers. MR is aimed mostly at gaining conquests and producing specifications

for products and services and an estimate of what customers will pay for them. Its data sources consist of surveys, focus

groups, interviews with non-customers and ethnographic research. The objective is to identify the attributes of a product the customer most desires or would consider buying. There is significant overlap with VOC in that existing customers can also be interviewed and participate in online communities. This research can also include generic ethnographic research looking at how customers in general use the overall product category, e.g., how customers use a clothes washer and detergent to do laundry. One challenge in much market research is the level of customer commitment and thought – studies of generic products are often hypothetical. The customer really has very little at stake and therefore is not providing as thoughtful an answer to the questions. Market researchers seldom, in our experience, focus on complaints and service transactions because of the difficulty in extrapolating them to the marketplace as a whole.

VOC is about keeping your existing customers. VOC includes several of the same data sets as MR but the sources are limited to feedback from existing customers. However, the customer has more at stake because they have actually invested in purchasing and using the product. We have always encountered higher response rates and more thoughtful open-ended answers to questions from existing customers than from members of panels who are evaluating hypothetical products. (We know we've now angered all the panel companies who read and advertise in this journal.)

Further, VOC can include internally-generated operational data on customer transactions as well as employee input on those same transactions. The output should be customer satisfaction with existing products and the revenue damage of less-than-perfect experiences.

EFM should be about integrating and acting on data describing the experience of existing customers. EFM is reasonably well-defined by McInnes and Carroll. It primarily consists of gathering and reporting information on all the customer feedback sources, e.g., surveys, complaints, social media and online communities. It also should include information on customer transactions as well as data which allows for segmentation of both existing and potential customers. The output of this broader analysis can include suggested new offers to make to

existing customers (based on their history) and some of the other outputs of what is called big data. What is not included is operations data and employee input on causes of customer issues. Also, there often is no way of integrating the data into a single picture of the CE. We have seen that multiple realities from multiple data sources can create conflict and paralysis.

Figure 1 suggests a view of the three types of data collection activities, MR, VOC and EFM. The chart in Table 1, drawn from Goodman's book,⁷ outlines

the full range of data that should be part of both VOC and EFM outputs as well as support MR.

Deserve to be reviewed

Now that two years have passed, Katz's three criticisms from VOC naysayers deserve to be reviewed.

1. VOC does not create significant innovation. When combined with customer experience journey-mapping and ethnographic studies, VOC can be a catalyst for significant innovation. One could argue that Uber was created by

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identifying and responding to the three main weaknesses of existing metropolitan taxi systems: unreliable, unclean/un-savory and expensive. As noted earlier, Starbucks had done well using VOC delivered via online communities. Part of the analysis must be to look at the causes of issues beyond basic product performance including incorrectly-set customer expectations and customer usage errors.

2. VOC has limited impact because it is not actionable and does not create change. We agree that most VOC reports have not been prescriptive. They tend to say “X percent of customers would recommend and these product attributes get the best score; do what you want with it.” This lack of impact is a function of three issues.

The first is what we call score-chasing. This problem arose with the advent of executive dashboards in the 1990s. Executives wanted a single metric that summarized a sector of business performance. As long as that score was within acceptable range, no further attention was paid to that aspect of the business. This was the genius of the focus of VOC on satisfaction scores. The latest versions of this single score focus are Net Promoter and Customer Effort Scores.

The other two causes of lack of impact lie in basic weaknesses in the research output: failure to create an economic imperative for action; and reluctance to suggest a plan of action and organizational accountability.

If the analysts interpreting the VOC data have a broad enough understanding of the business to suggest what should be done as well as best practices in the arena of the customers’ points of pain, actionable recommendations can be easily generated. The usual barrier is justifying the resources to execute the recommendations.

A recent study by our firm found that in companies where the CFO has bought into the business case of the VOC, there was double the probability of sustained satisfaction improvement and five times the probability that most issues raised by the VOC were fixed in a timely manner.⁸ We have also found that when the revenue and word-of-mouth implications of not acting are credibly quantified, that action usually is taken. Quantifying the cost of inaction precipitates action. Therefore, creating the business case and suggesting specific plans of action are

both critical to VOC impact.

3. Technology will dramatically enhance the accuracy of VOC because it often can report on CE better than traditional complaints and surveys. This point is partially true for multiple reasons. Social media is more immediate but much harder to project to the marketplace. Our firm’s December 2013 National Rage Study found that only 6 percent of consumers complain on the Internet and social media and less than 30 percent use review sites.⁹ Therefore, social media, while growing, is still not anywhere near projectable on the population.

Text analytics can provide more detailed analysis of customer expectations and motivation than traditional survey analysis. As the Temkin Group notes, text analytics provides much richer detail than closed-ended surveys or manual analysis of social media. Speech analytics can also discern types of emotion. Complaints, tied to text analytics can explain much of the why and how the customer ended up in the current situation in terms of incorrect expectation, customer error due to not reading directions and factors external to the product. On the other hand, surveys can provide a more reliable estimate of satisfaction and intention to repurchase than complaints. Closed-ended, scaled questions can be linked to actual future purchases and operational data (an application of big data).

Technology is already going well beyond text analytics and even beyond what Subbiah and Bosik allude to and even the broad automated reporting formats that McInnis and Carroll describe. Operational data, as noted in the delivery failure example above, can more accurately describe the CE than the customer can via complaints and even surveys. Further, operational data and online communities allow continuous inputs which do not just contribute to strategic reports on what needs to change in the company offering but also can drive immediate action on the ground. This is what we called the delivery of “psychic pizza” in our June 2013 *Quirk’s* article – using intelligence (also known as big data) to proactively intervene in the customers’ situation on-the-fly because you know what the problem is going to be before the customer knows it is happening. Finally, as noted above, online com-

munities can provide ideas and indications of levels of interest. For example, a recent Frito-Lay contest engaged millions of consumers with over 7 million likes and 1 million votes.¹⁰ However, rigorous extrapolation to the marketplace as a whole is still difficult.

Gaining conquests

In summary, we believe that VOC differs from traditional MR in that it focuses only on existing customers while MR primarily looks at gaining conquests. EFM, to be successful, must go beyond an aggregator and reporter of surveys and customer complaints to mapping all the data into a unified picture of the customer experience. Our conclusion is that technology has not yet fulfilled its potential. In the near future, by drawing on operations and employee input, EFM will expand and supplement VOC sources, not replace the traditional ones like surveys and complaints.

Our suggested definition of VOC is as follows:

- VOC draws on all data that describes the end-to-end CE of existing customers including surveys, complaints, operational data derived from internal systems, employee input and social and online community data.
- It measures causality of CE, drawing on a broader set of causes than they traditionally have looked at.
- It quantifies the economic implications in terms of damage or opportunity to revenue and margin by issue.
- Finally, it provides prescriptive reports to multiple audiences that humanize the data and creates the economic imperative for action and suggest plans of action.

Five actions

Want to build a top-flight VOC process? There are five actions you must take.

1. Separate your analysis of current customers’ experience from market research. Existing customers have been exposed to your education as well as your products. Understand their experience and product utilization as well as problems and questions. Ideally conduct key-driver analysis of those customers with problems vs. those who have not had problems. You will find the drivers are quite different. Whether MR and VOC are located separately or together

is purely a function of your company's internal politics.

2. Supplement your survey and complaint data with operational data and employee input. You most likely have internal data that describes the customer experience with your products and services, whether orders, transaction interactions, service requests or billing inquiries. You will need to partner with the IT department to gain access to this data. A useful medium of communication with IT is the CE journey map.

3. Quantify the revenue implications of the current CE. Create a credible economic model of the revenue, word-of-mouth, risk and cost impact of key customer problems and opportunities as described by the VOC. This analysis must be made credible to the CFO and CMO. If they accept it your VOC output will have dramatically greater impact. Quantifying the cost of inaction precipitates action!

4. Report VOC at multiple levels for multiple purposes. VOC can provide guidance on individual service rep performance, on team performance, can identify weaknesses in response guidance and processes as well as needed improvements in product offering and marketing and sales processes. It can occasionally identify breakthrough opportunities for dramatic enhancements (based on both employee and customer suggestions). Each level requires a separate analysis and separate reporting processes. It is more labor-intensive but has much greater impact.

5. Develop suggested action plans specifying what should be done as well as accountability for results. Two of the three weaknesses we've seen in VOC processes are that the insights manager does not have the courage (or operational knowledge) to suggest what should be done and who, across the multiple silos, should take the lead. You can get input from the functions and then suggest what should be done and who is best situated to lead. ①

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Just-right indeed

The Goldilocks approach to innovation research

| By Isaac Rogers

snapshot

How a hybrid quant+qual mini-community can come together to make new product innovation research more effective.

In April 2015, Quirk's presented a Webinar titled "The New Quant+Qual Paradigm," hosted by my firm, 20|20 Research. The discussion looked at mixed-method studies and profiled three different hybrid strategies. A fourth, which was referenced in the Q&A session, was the concept of a right-sized community, which generated much interest from attendees. This article takes a look at right-sized communities and how they can provide a "just right" solution for hybrid quant+qual product innovation research.

These types of approaches are welcome in many cases because new product development research presents a somewhat unique set of requirements that the more common research methodologies can sometimes struggle to satisfy. Research and development teams are often moving quickly to assess new product ideas or refine a late-stage concept and the traditional field times of ad hoc qualitative research simply won't work. The idea of spending weeks and weeks in field-work and project setup for focus groups, ethnographies or online qual doesn't fit

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well with the rapid responsiveness that is often required in product development.

At the same time, few brands are willing to invest large amounts of time and capital to erect large-scale panels or communities for products that have yet to generate sales or ideas that might never make it to store shelves.

Because of these challenges, many clients are turning to a “Goldilocks” method that attempts to fuse the quick-response capabilities of panels and communities with the depth of insight that can come from more traditional qualitative research. Some of our clients have taken to calling this hybrid quant-qual method a “right-sized community,” an approach that provides a “just right” solution for projects that just don’t fit in existing concepts.

On the surface, these projects share many common characteristics with traditional, more qualitatively-focused online market research communities. However, the hybrid way in which these studies are implemented creates a collaborative forum that can bring innovators and product designers closer to their customers than traditional, existing methods.

So what do these “just right” solutions look like? They normally comprise anywhere from as few as 50 to as many as 300 handpicked consumers who are recruited for a long-term engagement of approximately three to six months. These respondents are typically managed like small, temporary proprietary panels; their demographics, contact details and participation data are supervised by the agency through an online platform. From this system, the agency can communicate with respondents and define smaller breakout groups to participate in each required activity.

These online platforms usually integrate with online qualitative and quantitative data collection tools from a variety of vendors, allowing the right-sized community to be rather agnostic about the type of engagements that can occur. Since product development can often change course quickly, it is important that the research activities are able to take on a variety of forms to get the right kind of feedback. Need to sketch out a new product design and bounce it off the community? Launch the respondents into an online survey with mark-up capabilities. Want to hear the kinds of words and phrases “real people” use to describe your product? Drop a handful of customers into Web-based interviews. This flexibility is

critical to create a responsive research capability for these kinds of projects.

Treated differently

From the very beginning of the recruiting process, the respondents of right-sized communities are treated differently than most market research subjects. In traditional research, we seek out representative individuals, process them through rigorous screening methods and communicate all kinds of logistical information about participation and incentives. But rarely do the participants know much about the goals of the research. Once the participant starts the research interview, they answer our questions, they provide their opinions and they allow us to peek inside their lives. But they seldom know (or likely care) what the end results will be for the client.

A right-sized community for innovation, however, is regularly pitched to potential respondents in an entirely different way. In these communities, we are often in search of targeted individuals who meet the same rigorous criteria as before but in addition to their demographics and behavioral attributes, they must also be willing to engage in a wide range of activities and events over the course of the community.

One week, they might participate in an online discussion among fellow consumers to brainstorm about new product ideas. A few weeks later they might have a group Webcam interview with the actual product designers and engineers to discuss some of their creative ideas. Next month, the participants might have an opportunity to test a prototype of the product in their home and stream back their un-boxing and setup experience to a live audience of product researchers.

As you might imagine, locating respondents who are not only willing to participate in such an intensive set of activities but also to share their ideas and discuss their creative concepts directly with the agency and end clients can present a unique recruiting challenge. In many cases, however, we’ve found that the idea of working with researchers to brainstorm and collaborate, as compared to simply responding to a researcher’s predefined questions, can be an exciting opportunity for many consumers and clients. Especially for brands that consumers are passionate about, like their favorite brand of car or their favorite cleaning products. In those situations, we usually find many participants are thrilled at the idea of contrib-

uting in a real, tangible way directly to products they may purchase.

Quick access

In most research, the end client is a passive observer, with the research agency serving as an impenetrable buffer between consumers and the sponsoring company. That veil of impartiality is an important aspect for much of the research world but in product development research what is often more important is that the product team has quick and efficient access to the feedback of their consumers.

In many innovation-focused right-sized community designs, the research agency shares much of the direct interaction with participants with key members of the product development team. There is something unique that occurs when the end client is forced out from “behind the glass” and given the opportunity to interact directly with the customers they aim to serve.

The R&D team might take turns interviewing their customers in Webcam IDIs or help craft a series of questions that will be asked in an online survey. As one R&D manager describes, this kind of hands-on customer experience develops the “empathy muscle” that helps product developers better understand the needs of their target audience.

Additionally, when the formerly-passive research observers become active participants, they often become more engaged in the research process, pay more attention to the information that’s collected and become more invested in the customer experience process.

In most right-sized communities, agencies are still the primary interviewers and research designers; however, when clients become more involved in the customer conversation, the role of the market research agency shifts to encompass some new skills and responsibilities.

First, the agency must clearly understand the needs of the client and where they want to take their product innovation. The size, scale and attributes of the community must be matched to the end goal the client is trying to achieve, such as that in the following matrix.

Early product research

Purpose: Developing entirely new concepts to take to a later stage. In this mode, R&D teams need a community that can help them generate a number of new product ideas; these communities are often highly

experiential and may include in-home or virtual ethnographies to tap into unmet needs or establish an understanding of the customer experience.

Community: These communities are often smaller (less than 75), longer (six-to-nine months) and more qualitative in nature.

Get over the innovation hump

Purpose: Weeding through a large number of innovative product ideas to find those that work.

Community: These projects are larger (more than 100) and rely heavily on quantitative data collection to sort and prioritize concepts and features.

Late-stage refinement

Purpose: Working with existing prototypes or late-stage concepts to refine them before taking them to market.

Community: Can vary in size but if in-home-use tests are planned, the logistics and cost associated with product fulfillment can limit scale.

Generate more insight

One of the quintessential components of this approach is a clear mandate to generate more insight with less effort towards logistics and process. Product innovation research simply can't accommodate long fieldwork and logistics timelines; given the option of waiting for weeks in traditional research processes or going with their "instinct," many R&D managers choose the latter. It's not that they want to bypass customer feedback, it's that they simply don't have the time built in to their product development cycle.

Right-sized communities for innovation turn that problem on its head by assembling a group of ready-to-use customers entrusted with providing ongoing insights during the product development cycle. These respondents are ready and available; if a new idea sparks in the R&D team, they can bounce the concept off the community in hours or days. If new product attributes are considered, they can be worked into next week's scheduled online bulletin board discussion. This rapid access to feedback allows R&D teams to gather critical feedback quickly and efficiently, in turn allowing them to develop ideas that are based more on actual customer response and less on gut instinct.

By recruiting once, and using for a variety of activities over time, the total cost of a right-sized community for innovation

is cut dramatically, as compared with multiple independent phases of research. In some cases, we have seen the overall research budget drop by 30 percent or more. These savings come from a variety of sources. Obviously, recruiting costs are significantly reduced, as we are able to reuse respondents for multiple events. Additionally, the total incentive paid to a right-sized community respondent is typically lower than paying multiple respondents in multiple phases; since they are already engaged and involved in the process, each incremental research activity can be incentivized more economically.

Not perfect for everyone

What felt right for Goldilocks may not have been perfect for everyone else. The same is true for this approach in product innovation. While right-sized communities can strike a balance between existing research solutions, every choice we make in research always comes with some concessions.

There must be enough of a research plan to make use of a ready pool of respondents. If participants can be engaged every two-to-four weeks with a new event or activity it can dramatically help long-term participation, as they feel more involved in a "living" process. If the agency and client cannot commit to regular activities with the community, it becomes difficult to retain high levels of engagement and the value of the community rapidly decreases.

Additionally, the client team must not slip back into the "passive observer" role and let the market research completely run the process. Product development staff will be involved in developing new product ideas or creating visualizations to describe new product features; if the researcher doesn't receive the deliverables on time or has trouble keeping the teams engaged, the process could become ineffective. A key client sponsor, whether it comes from the product development leadership or brand team, is a critical component to keeping everyone on task and dedicated to the process.

But if your new product innovation plan can make use of a hybrid quant-qual right-sized community, they can provide an efficient, effective solution that might be "just right" for you. 📌

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Get what I mean?

How to think about constructs in marketing research

| By Terry Grapentine



snapshot

Terry Grapentine explores how creating more valid constructs can lead to making more successful decisions.

Marketing researchers create various kinds of constructs such as “perceived product quality” and “brand loyalty.” How well one defines such constructs and how validly one measures them affects both the overall quality of the research and the success of the decisions based on that research. In this light, the purpose of this article is to 1) increase your understanding of what constructs are; 2) explain why developing good constructs is critical to conducting quality marketing research; and 3) provide you a few practical tools for developing better constructs in future studies.

Two quick comments for clarification: First, the topic of what constructs are is rather complicated and cannot be comprehensively covered in this article. Consequently, this piece focuses on the kind of constructs used in brand image studies to predict brand loyalty. There are other kinds of marketing constructs – such as “convenience goods” or “light, moderate, and heavy buyers” – that describe different kinds of products or consumers. For a discussion of those kinds of constructs see the Goertz reference at the end of this article.¹

Second, concepts are similar to constructs. When a concept is created or used for special scientific purposes, concepts are called constructs.² Thus, we often refer to product quality, satisfaction and similar marketing concepts as constructs when we use them in our research activities.

What is a concept/construct?

Have you ever stopped to ask yourself, “What is a concept/construct?”

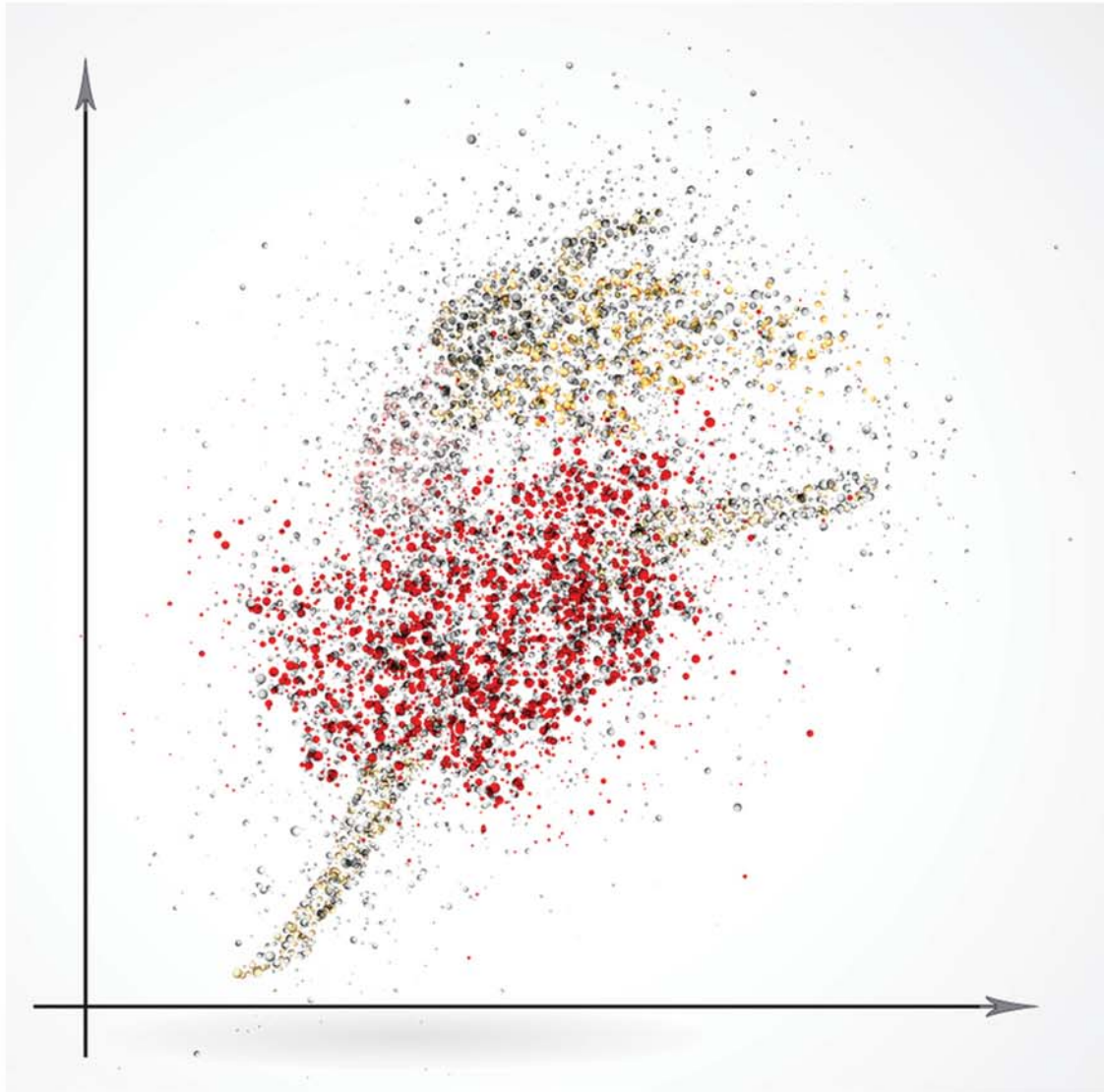
Real-world example: Consider the concept of “chair.” I use the term “concept” instead of “construct” because this example is not based on using the concept of chair in a scientific investigation; however, the example will help you understand how concepts and constructs are similar.

There are many kinds of chairs. To facilitate communication, we use the term “chair” to



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designate a concept that refers to objects sharing certain properties. An example – not an exhaustive list – of properties that all chairs share are the following: 1) has a leg or leg-type structures supporting the surface on which one sits; 2) provides some level of back support; 3) sits horizontally to the ground; and 4) the seating surface is at such a level that adults must bend slightly at the waist in order to sit on the seating surface.

Concepts and constructs group objects that share the same properties, as depicted for the chair concept in Figure 1.

Marketing research example: Just as the concept of “chair” possesses certain properties, the construct of “perceived smartphone product quality” possesses certain properties (Figure 1). Analogously, just as the concept of chair refers to certain objects, the construct of perceived smartphone quality refers to certain non-material objects: beliefs that consumers have about smartphone brands. Thus, objects to which concepts or constructs refer may be material or non-material.

Definition of concept/construct: With Figure 1 in mind, consider the following definition of a concept/construct: a generalized abstraction of some aspect of reality that we want to understand for the purposes of communicating to others (e.g., “Please sit in that chair.”) or doing research (e.g., “How does perceived product quality influence brand choice?”).³ Now, let’s unpack this definition and discuss what the terms “generalized” and “abstraction” mean.

A concept/construct is generalized because it applies to all objects that possess a concept’s/construct’s properties. In Figure 1, the concept of chair refers to many different kinds of objects that possess the listed properties. The construct of perceived product quality of smartphones refers to certain beliefs consumers possess about various smartphone brands.

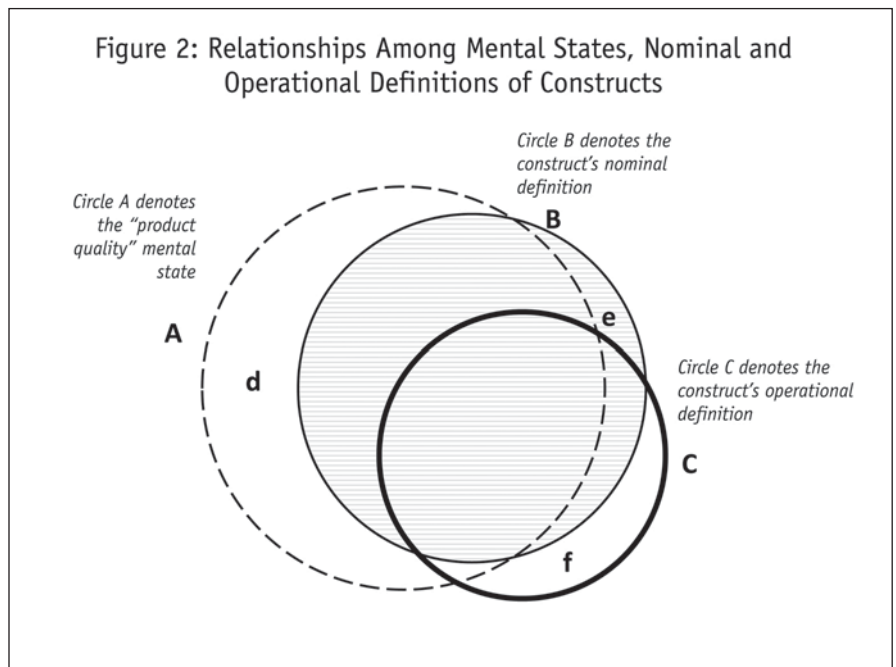
A concept/construct is an abstraction because it refers to a group of objects that share certain properties. Adirondack chairs, armchairs and captain’s chairs possess the properties of the chair concept. Beliefs about smartphone brands’ product quality possess the properties of the perceived smartphone product quality construct.

As a side note, examples of mental states around which we can form

Figure 1: Example Properties and Objects of the Concept “Chair” and the Construct “Perceived Smartphone Product Quality”

Concept or Construct	Example Properties	Objects to which Concept Refers
“Chair”	<ul style="list-style-type: none"> • One or more legs or leg-type structures supporting the seating area • Back support • Horizontal to the ground • Bend slightly to sit down 	Material objects such as... <ul style="list-style-type: none"> • Adirondack chair • Armchair • Captain’s chair • Folding chair
“Perceived smartphone product quality”	<ul style="list-style-type: none"> • Internal components don’t break when dropped • Screen does not scratch • Case is durable • Is water-resistant 	Beliefs consumers have about the product quality of smartphone brands... <ul style="list-style-type: none"> • Belief about the durability of a Samsung S6 • Belief about the reliability of an Apple 5 • Belief about the screen scratch resistance of a Nokia Lumina • Belief about the water resistance of a Sony Xperia Z4

Figure 2: Relationships Among Mental States, Nominal and Operational Definitions of Constructs



constructs are beliefs about products, intentions toward purchasing particular brands, feelings toward brands (e.g., positive vs. negative) and values influencing purchasing decisions (e.g., “I only purchase ‘green’ products”).

Within the realm of thought

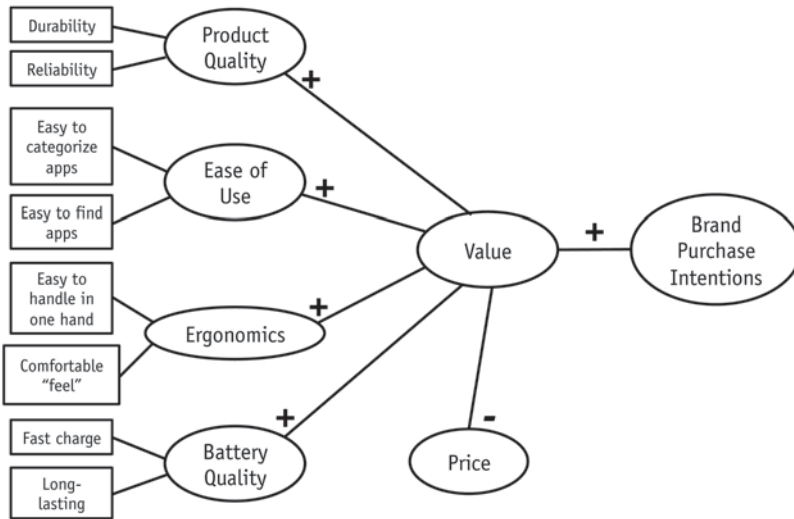
Where do marketing research constructs originate? Researchers construct them when they think about solving marketing problems. Constructs, therefore, originate within the realm of thought.⁴

Generally, exploratory research – traditionally in the form of focus groups or one-on-one interviews – is the field from which constructs are harvested. Currently, the marketing research field is brimming with many new exploratory research techniques and methods – such

as consumer blogs, virtual consumer communities and biometric responses to product concept tests or advertising – to help uncover new marketing constructs. What’s more, researchers are borrowing constructs from other fields such as behavioral economics (e.g., confirmation bias, decision heuristics and anchoring effects) to better understand consumer purchasing behavior.

Constructs, therefore, are the fundamental building blocks of science in general and marketing research in particular. They help us conceptualize what influences consumer behavior; design marketing research studies to measure those influencers; and provide a platform on which to construct theories that help us explain, understand, predict and, to some degree, influence markets.

Figure 3: Example Relationships among Smartphone Concepts



conditions of perfect knowledge. Circle B represents the construct's nominal definition. A nominal definition is the meaning of a term using other terms, like a dictionary definition. For example, the nominal definition of the construct "product quality of smartphones" might be the following: consumer beliefs about how durable and long-lasting the physical components of a smartphone are. Relevant properties of the product quality construct (as given in Figure 1) should also be listed as part of this definition.

Circles A and B do not perfectly overlap because researchers do not possess perfect knowledge of Circle A. For example, letter d denotes information in Circle A that is not captured by the nominal definition in Circle B.

In some situations, the researcher's nominal definition may contain information about Circle A that is incorrect, denoted by the letter e. For example, a researcher may have included information about a smartphone's ergonomic design in the nominal definition of product quality (e.g., "easy to see display in sunlight"); whereas, ergonomics is

This article uses the idea of perceived smartphone product quality to explain how mental states, nominal and operational definitions of constructs relate to each other (see Figure 2).

Researchers assume that "something like" a product quality construct exists as a hypothetical mental state

in consumers' minds. I say "something like" because this construct refers to an aspect of consciousness that does not have objective reality like, say, a cup of coffee does. Circle A denotes the information that is contained in that mental state – i.e., beliefs about smartphone product quality – under

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more properly construed as a construct separate from product quality.

Circle C denotes the construct's operational definition. The operational definition of a construct describes how a construct is to be measured. For instance, constructs such as product quality are often measured by having respondents rate one or more brands on an attribute list.

Measurement error is introduced into these operational definitions if they measure properties not part of Circle A – denoted by f – or if they exclude properties in Circle A, denoted by d. Area f, for instance, might be an attribute measuring the perceived weight of a smartphone, which is not part of Circles A or B. For example, “weight” may be part of an “ease of handling” construct.

How does one ever know how much overlap there is among Circles A, B and C, and whether something like Circle A even exists in consumers' minds?

I discuss this topic in the following three-step process of creating and examining marketing constructs: 1) nominal definition meaningfulness; 2) operational definitions; and 3) operational definition validity. All three steps help the researcher address the idea of construct validity. In its simplest conceptualization, construct validity is the extent to which a construct measure (Circle C) accurately measures the construct it is intended to measure (Circle A).

Step 1: Examining nominal definition meaningfulness⁵

The first step in examining the potential usefulness of a construct is to assess how meaningful the construct is. A construct is meaningful to the extent that it helps a researcher explain, understand, predict and ultimately influence some aspect of consumer behavior such as, “Why do consumers purchase our competitors' products and not ours?” This examination is made after conducting the exploratory research but before launching the quantitative study. Suggested steps to follow are discussed below.

Identify the constructs. Identify the general constructs that you feel are important to your study. For discussion purposes, assume we are interested in examining factors associated with affecting smartphone brand choice among a target group of consumers. Simply list these constructs with their nominal

Figure 4: Example Operational Definition of the Construct, “Product Quality of a Smartphone,” Administered via an Internet Questionnaire

(a) Internal components break easily if phone is dropped					Internal components do not break easily if phone is dropped	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7
(b) Screen scratches easily					Screen does not scratch easily	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7
(c) Case is not durable					Case is durable	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7
(d) Is not very water-resistant					Is very water-resistant	
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7

definitions.

Show how these constructs relate to each other within a theoretical framework. This can take the form of a molecule diagram model as shown in Figure 3. The rectangles denote measures (i.e., the attribute ratings) of each construct (e.g., product quality) that predicts value. The symbols + and - denote whether the relationship between the constructs is positive or negative. For example, as perceptions of product quality improve, all else held constant, perceived value improves. For purposes of economy, rectangles denoting the measures of price, value and brand purchase intentions are not given.

Critique each construct in the model. Do this with other researchers or people who are knowledgeable of the exploratory research or have significant background knowledge of the marketing category under investigation. Example questions to ask for each construct are as follows:

1. What basic idea does this construct capture and is it meaningful? Examine a construct's nominal definition. Does the language being used to define the construct capture its intended meaning?
2. Do the construct's listed properties reflect that construct and not some other construct? As discussed earlier, the attribute “easy to see display in sunlight” may not be congruent with the idea of product quality. It may be an indicator of another construct such as “ease of use.”
3. Are all the construct's relevant properties listed? Review the exploratory research findings in answering this question. Note: The universe of all

properties of a concept is called the concept's domain. The number of such properties is beyond what a single marketing research study can examine. Therefore, the researcher's goal is to identify a representative sampling of properties that adequately reflect the concept's domain.⁶

4. Have any constructs been omitted? For example, has Figure 3 left out any constructs that influence brand purchase intentions? Perhaps a construct needs to be added that captures the performance of certain features of a phone that affect brand choice, such as attributes descriptive of the phone's camera.

5. Are the constructs distinctive? For instance, is ease of use different from ergonomics? Brainstorm with colleagues about whether a) some of the constructs should be combined into one; or b) a given construct should be divided into one or more constructs.

6. Are the relationships among the constructs specified correctly? Perhaps battery quality should be linked directly with product quality as opposed to being separate from product quality.

7. Is this the best name to give this construct? The construct's name eventually appears in reports to management and you want to insure it communicates effectively what you want to communicate. For example, “product caliber” is awkward language to communicate the idea of product quality.

Items 1 through 5 relate to the notion of content validity. Content validity (sometimes called face validity) examines how well the scale items used to measure a construct represent the con-

cept's domain. For example, in Figure 1, "perceived smartphone product quality" captures four different aspects of quality. Are there more? For instance, one might argue that the following property is part of the quality construct: "The phone's screen is resistant to breaking."

Researchers don't have the time or resources to create the perfect questionnaire. For example, you can't measure all properties of all constructs that affect consumer brand choice. Use the collective knowledge of the brand team to winnow down the list of constructs to the most critical

Step 2: Examining the operational definition

A construct's operational definition is a description of how a construct is to be measured and it focuses on all aspects of construct measurement, such as using an Internet survey vs. a telephone interview; question order; survey appearance and even the instructions given respondents. See Figure 4 as an example of an operational definition of smartphone product quality. In examining the goodness of a construct's operational definition, I recommend the following:

Each of the construct's properties should be measured with at least one attribute. In Figure 4, the property of "won't break" is measured by (a) and (c). The properties of "screen scratch resistance" and "water resistance" are measured with single attributes. To improve this construct's validity, one might consider additional attributes. For instance, attribute (d) might be replaced with two attributes, e.g., "Not resistant/very resistant to water when submerged" and "Not very resistant/very resistant to water when splashed on."

Test the attributes with target respondents. Respondents should interpret the attributes on a questionnaire in the manner in which the researcher intends for them to be interpreted. Therefore, attributes should be unambiguous, understandable and not "double-barreled."

Step 3: Operational definition validity and reliability

This phase of construct development and refinement assumes that the constructs being used in the study have passed a rigorous examination of their nominal definition meaningfulness

Figure 5: Hypothetical Correlation Matrix of Attributes Measuring Perceived Smartphone Product Quality

	(a) Internal components (easily/do not easily) break if phone is dropped	(b) Screen (does/does not) scratch easily	(c) Case (is not very/is very) durable	(d) Smartphone (is not very/is very) water-resistant	(e) Is (a heavy/a light) smartphone
Internal components (easily/do not easily) break if phone is dropped	1.00	0.76	0.83	0.91	0.43
Screen (does/does not) scratch easily		1.00	0.71	0.70	0.55
Case (is not very/is very) durable			1.00	0.81	0.38
Smartphone (is not very/is very) water-resistant				1.00	0.49
Is (a heavy/a light) smartphone					1.00

Figure 6: Hypothetical Example of SPSS Output of Coefficient Alpha

Reliability Statistics

Cronbach's Alpha	N of Items
0.774	5

Item-Total Statistics

Attributes	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
(a) Internal components (easily/do not easily) break if phone is dropped	0.751	0.700
(b) Screen (does/does not) scratch easily	0.722	0.704
(c) Case (is not very/is very) durable	0.700	0.694
(d) Smartphone (is not very/is very) water-resistant	0.781	0.723
(e) Is (a heavy/a light) smartphone	0.435	0.841

and operational definitions.

Note the following: Step 3 involves statistical analysis of the data generated in your quantitative study. This can be disheartening because some of the analyses used to examine the validity of your construct measures are done after you collected the data. If you discover that an attribute does not pass muster in Step 3, you should omit it from your analysis.

Typically, analysis of construct validity assumes that you are using a summated scale to measure a construct. A summated scale is created, at the

respondent level, by taking the average of the items comprising the construct. For example, if a given respondent rated each of the four attributes in Figure 4 as follows: (a) = 6; (b) = 7; (c) = 5; and (d) = 6, the summated scale rating for this construct, for this respondent, is 6.0.

The remaining discussion covers the following operational definition validation methods: construct validity; convergent validity; discriminant validity; coefficient alpha; and predictive validity.

One aspect of construct validity "focuses on the assessment of whether

a particular measure relates to other measures consistent with theoretically derived hypotheses concerning the ... constructs ... that are being measured.”⁷ Figure 3 is an example of a theoretical framework in which one aspect of construct validity can be examined. (Note: There are other aspects of construct validity that are less applicable to the average marketing researcher. The interested reader can find them in any college-level marketing research text book.)

For example, in many marketing surveys, you expect measures of value to be positively correlated with other constructs theoretically linked to it such as product quality, ergonomics and ease of use. Thus, in your surveys, examine correlations between constructs that are theoretically linked. The correlation coefficients should be statistically significant and carry the right “sign,” (i.e., the correlation coefficient should be positive if the theoretical relationship is positive; negative, if the relationship is negative).

Construct validity also encompasses two other construct validation methods: convergent and discriminant validity.

Convergent validity “is the extent to which the scale correlates positively with other measures of the same construct.”⁸ For example, the four attributes in Figure 4 should be significantly correlated with each other if, indeed, they are good indicators of a smartphone’s product quality. You can examine this by creating a correlation matrix of the relevant attribute measures. Figure 5 gives an example. Although there is no objective standard as to what constitutes a “significant” correlation, generally, correlations near or greater than 0.7 are mentioned in the literature; however a literature search reveals that these standards can vary by field (e.g., psychology vs. sociology vs. marketing). In Figure 5, correlations between attributes a, b, c and d meet this criterion; attribute e does not.

Discriminant validity is the extent to which a measure does “not correlate too highly with measures from which it is supposed to differ.”⁹ For example, attributes that measure, say, the ease of use construct in Figure 3 should not be highly correlated with the attributes used to measure the ergonomics construct.

Cronbach’s coefficient alpha is a summary measure of the intercorrelations of a set of items used to measure a construct. Its value ranges from 0.0 to 1.0, where larger alphas indicated higher intercorrelations. As a rule of thumb, alphas of 0.7 or higher are desirable.

A hypothetical example of SPSS output of coefficient alpha is given in Figure 6. “Reliability Statistics” shows an alpha of 0.774, based on five attributes, a through e. “Item-Total Statistics” provides the following information:

- The list of attributes included in the analysis.
- “Corrected Item-Total Correlation” is the correlation of a given item with a summated scale of the remaining items. For example, the correlation of item a with a summated scale comprised of items b through e is 0.751. Coefficients of 0.7 or higher are desirable. This statistic for item e, 0.435, therefore raises a red flag.
- “Cronbach’s Alpha if Item Deleted” is the alpha statistic for a given attribute when it is deleted from the construct measure. For example, if item e is deleted, alpha increases from 0.774 to 0.841. This indicates that the four other attributes as a group are a more reliable measure of the construct than if item e were added to the analysis.


Coefficient alpha is a measure of reliability, not validity. Reliability refers to the repeatability of a measure. Are you likely to obtain the same results if you repeat the survey? In contrast, validity is concerned with whether a construct is measuring what it is intended to measure. Thus the old saw: All valid measures are reliable but not all reliable measures are valid.

Predictive validity is what the name implies: How well can a measure collected at one point in time predict a criterion measure collected at a future point in time? Examples are: How well does a new product concept test predict future purchase levels of a new product? How well does a study that measures future brand purchase intentions predict actual future brand purchases? How well does an employee satisfaction survey predict employee retention over time?

At least in my experience, most organizations do not conduct controlled experiments that examine the predictive

power of their constructs; it’s too time-consuming and cost-prohibitive.

Consequently, we’re left with the question raised earlier. How do we know that “something like” our constructs represented in Figure 2 really exist and that our nominal and operational definitions of them overlap relatively closely? We can never know for certain but by following the three-step process outlined in this article, you will increase the likelihood that you have developed more valid constructs than you would have otherwise.

After all, creating more valid constructs is the first step leading toward making more successful decisions. 

Terry Grapentine is principal of Grapentine Company LLC, an Ankeny, Iowa, research firm. He can be reached at tgrapentine@gmail.com. The author wishes to thank the following for offering valuable comments on earlier drafts of this article: Chuck Chakrapani, president, Leger Analytics and distinguished visiting professor, Ted Rogers School of Management; Brian Kiley, market research analyst, West Bend Mutual Insurance Company; David S. Grapentine; and David Soorholtz, MarketSense Inc.

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snapshot

A Unilever researcher uses a hair care example to explore a framework for the questions to ask to develop better segmentations.

Throughout the history of marketing, brands have loved to segment consumers. Marketers slice slivers of data and information into painfully thin generalizations that are used to define attitudes and behaviors. The principles behind segmentation were established long before the digital age and easy access to big data. Besides being a counterproductive generalization of groups of individuals, marketers often start and stick with demographic segmentation, based on traits like age, which oversimplifies the pursuit of actually understanding consumers better.

The growing focus on Millennials and aging Baby Boomers has made marketers focus heavily on age-based segments for channeling their marketing and communications efforts. The easy availability of such factors makes such demographic variables more prominent in consumer segmentation and targeting compared to psychographic variables such as people's interests, attitudes, opinions and lifestyles. For example, traditional approaches to defining the Baby Boom generation, Generation X or Millennials have relied on both demographic variables (classifying individuals based on birth years) and psychographic variables (such as beliefs, attitudes, values and behaviors).

While starting with age as a segmenting criterion for crafting your message is good heuristic, it's well worth asking the question: Is it still relevant? Effective marketing needs to account for distinct consumer groups and the differentiated needs they have. More and more research shows that imposing age or any such rigid dimension can be very limiting.

Compartmentalize people

We have all heard the stereotypes. "Traditionalists don't understand technology," "Baby Boomers are workaholics," or "Millennials are lazy, arrogant, impatient, entitled with no work ethic." The trouble with stereotypes, or even genuine patterns, is that they compartmentalize people into rigid segments by conflating demographic variables such as age with psychographic variables such as people's interests, attitudes, opinions and lifestyles. While these may describe some aspects of a



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group, they often create an incomplete and less meaningful picture of the people we are talking about. It just so happens that these people are the very consumers of our marketing brands.

Marketers, like everyone else, have a tendency to resort to such stereotypes that are based on instinctual, dominant patterns that surround us and are often irrational and not grounded in any statistical logic. This has been eloquently described by Daniel Kahneman, a leading behavioral economist, as System 1 reasoning. He suggests that there is a tendency to always measure the differences of our target from a benchmark or an anchor point. Therefore in marketing, we create profiles of younger people as in some way being different from older people, wanting different things than older people. We gravitate to age as a dichotomous variable that segments our audience as “A” and “not A.”

Like all stereotyping, this carries the risk of overgeneralization of the characteristics that define the target. More importantly we risk alienating certain people with our message just because we think they don't belong to our target age. Kahneman suggests that if we want to make better decisions in our personal lives and as a society, we ought to be aware of these biases and seek ways to overcome them. This powerful and important discovery applies very well to the world of marketing and product messaging.

There is more and more evidence that we have the means to overcome these biases regarding age or gender as rigid categories through continued introspection and inquiry into our ways of thinking and questioning the validity of such distinctions. All we really need to do is to modify the anchor or the benchmark – in this case, age – and shift our focus to what actually influences the choices our consumers make.

Through research in segmentation on the personal care category, we have found that age is irrelevant when trying to find ways to articulate benefits to consumers. While there are some general trends that work for older versus younger consumers, ultimately it is about the psychographics of consumers and how you speak to them.

Overlooks opportunity

Overt segmentation often overlooks opportunity, i.e., those populations that try or are willing to try new products.

Marketers targeting different age groups often fall prey to stereotyping. The image of an older consumer wrapped in blankets is archaic; 75 is the new 55, owing to progress in beauty, medication, health, technology and life expectancy. Senior citizens are often active, exploring, fulfilling dreams and those over 65 own over 75 percent of the wealth, making them a lucrative target. Similarly, a ripped-jeans-clad group of yuppies is a far cry from the modern youth who are collectively responsible for \$2.45 trillion of purchasing power. These young people also are guided by a social awareness that peaks early thanks to digital media, making them a solid target, too. Clearly, it is the psychographic differences that make these two extremes interesting, not so much their respective ages.

Aside from behavioral economics, research has also shown that organically-deduced consumer segments rarely differ by demographics but more by benefit area of psychographics. For hair care product research, women who focused on beauty and aspired for deeply-nourished hair formed the largest segment, followed by those who sought nourishment and strength and those who responded to products that fight damage and repair hair. The differences between these segments arose from the interaction with hair treatments, not the age of the women.

To further showcase the trend across genders, a similar study showed that men preferred hair care products that described a benefit of resilient and healthy hair, followed by those preventing dandruff and flakes and, lastly, a smaller segment of men seeking clinically-proven results. Demographic differences between these segments were not significant, relaying an opportunity to segment consumers based on benefit areas, which unveiled a newer opportunity for line extensions.

A recent piece of research by the Boston Consulting Group, along with Barkley and Service Management Group, surveyed 4,000 Millennials (ages 16 to 34) and 1,000 non-Millennials (ages 35 to 74) in the United States (Barton, Fromm and Egan, 2012). A key goal of this research was to identify how behaviors and attitudes differ between the two groups.

While there were a number of characteristics that defined the Millennials as belonging to a generational group, the group was far from homogenous. The re-

searchers identified six distinct segments based on people's responses to questions about technology, cause marketing, media habits and general outlook on life. Each segment exhibited Millennial traits in varying degrees and combinations.

Understanding and recognizing these distinct segments and their nuances is essential for companies that hope to develop effective product offerings, marketing campaigns, channel strategies and messaging. A one-size-fits-all effort will fail to connect with every Millennial segment. Collectively, theory and research have showcased that the traditional way of overlaying demographic filters on consumer data can be misleading. Naturally this evokes the need for an alternative approach.

Focus on priority segments

The objective of psychographics segmentation research is to identify groups of consumers who think in similar ways and need similar things. Having an understanding of these segments enables marketing teams to focus on priority segments, which are seen as most valuable and most likely to purchase from you. As aforementioned, segmenting based on overt demographics like age, income and gender may not help us see true distinct segments. As a result a lot of marketing efforts may be lost in targeting the wrong message to the wrong group.

A more accurate, albeit challenging, approach is based on behavior and needs and how they interact with the product or message. This involves a more holistic research design focusing on both the product and message as well as the psychographics of the consumer within the same study. Typically, respondents are asked to what extent they agree with a number of statements. These statements are specifically designed to determine the values, attitudes, needs and interests of the respondents. There are a number of multivariate statistical techniques that statisticians then use to cluster the statements that go together to form a segment. The key objective is to see whether there is a group of consumers that has a set of needs and wants, and therefore will respond to a particular message in such a way that is distinct enough from another set of consumers.

No matter how you arrive at the segments, whether you work with preexisting ones or let them emerge from your

data, it's important to take a step back and ask these questions aimed at creating an inside-out framework for segmentation.

Meaningfulness: Are these segments truly different in a meaningful way?

Homogeneity: Is each segment homogeneous enough to be grouped together?

Size: Are the segments big enough to isolate and prioritize them?

Sustainability: Are these segments sustainable over time?

This four-step framework will allow marketers to better assess the differences between the segments that emerge from the research and data itself, versus simply overlaying the research with demographics. While the latter is easy, the four-step framework ensures that segmentation can be done in a more organic and emergent way to identify a more complete consumer group.

Three key themes

Just as some characteristics run across many segments, certain messages resonate regardless of age. Validated research has shown that fundamentally, consumers of any demographic are most motivated to make a purchase when the benefit appeals to them. There are numerous ways to better motivate consumers across all age groups to purchase personal care products but there are three key themes to explore for personal care.

Immediacy at the forefront. With a plethora of products in the marketplace, it is critical that consumers of all ages are able to capture and comprehend the benefit immediately. Instead of spending time on campaign specifics and endorsers or influencers, clearly articulating the main benefit in prime-time messaging is essential. Marketing messages only have a few moments to influence a purchase decision, leaving no room for "fillers." For example, a skin care brand may be better off showcasing at the outset that it instantly nourishes skin versus alluding to having natural minerals. It is a slight difference to showcase the dual benefit (instant and nourish) first but nonetheless an important one when placed in a competitive and crowded context. Regardless of consumer ages, research has shown this to be a stronger motivator, further showcasing that for sound messaging, age is of less relevance.

Addressing negative problems with aspiration. There are several

universal values among all consumers young and old that are evident in varying degrees: the quest for youth, supple skin and great hair. In the quest for articulating benefits, sometimes marketers have to address a negative. Such issues can be addressed by talking about aspirations: instead of anti-aging skin care, which alienates younger consumers and demotivates older consumers, a focus on revealing healthier skin works across all ages. Similarly, promising nourished, strong hair can work across various psychographics of consumers, versus a negative connotation associated with preventing hair loss. The key is to retain positivity where possible and focus on benefit outcomes and aspirations. For after all, younger consumers want to retain their youth and older consumers often aspire it, thus unifying them regardless of their age.

Showcasing relevant evidence and proof. As human beings, similar to Kahneman's theory, we are all in search of proof. And it is no different when marketing to any consumer: proof of efficacy goes a long way. How and when to use evidence like clinical proof or quantified claims is often an investment decision for many companies. Research has shown that consumers of all ages are impressed with clinical proof and sometimes with dermatological recommendations. Claiming flake-free to 100 percent may seem like a stretch for an anti-dandruff shampoo, which would benefit from flake-free as a prefix. But promising to reduce hair loss by 98 percent could be slightly more believable than entirely claiming to eliminate hair loss. When supplemented with such benefits, these act as reasons to believe in the product performance and evoke trust.

Do away with the stereotypes

Based on our experience, we recommend that marketers do away with the stereotypes and refresh their consumer segments to be more organic and emergent. Using this approach, they can overlay key benefits and inspire consumers to make better purchase decisions. ①

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Growth and some growing pains

The challenges of data collection in Latin America

| By Helen Parker



snapshot

ESOMAR country representatives give an update on the current state of marketing research in a variety of Latin American countries.

ESOMAR has always had a close connection to the region and this April celebrated the 20th edition of its Latin America conference in São Paulo. What ESOMAR has noticed through our presence in the region is the number of local companies attending our events. They are not necessarily trying to compete with other markets; their focus is on Latin America and they are doing well because of it.

Each year our Global Market Research report provides a review of the size and performance of the market research industry and explores how the research market continues to expand and it has always been fascinating to watch how Latin America has transformed.

Furthermore, in each Latin American country we have a representative who furthers ESOMAR's mission to promote the value and use of market research and we've enjoyed watching the marketing research landscape change in this diverse region.

For this article, we consulted with several of these representatives to get an update on marketing research trends and the current state of marketing research in their respective countries. Listed by country, contributors include: Argentina – Patricio Pagani, acting managing director, Infotools Ltd.; Brazil – Suzana Pamplona Miranda, market research director, Johnson & Johnson Consumer; Ecuador – Julia Helena Carrillo, country manager, Ipsos Ecuador; Venezuela – Miguel Ron, director, Mercom; Honduras – Jorge Martin Frech, managing director, Mercaplan Central America and Caribbean.

A land of contradictions

Latin America has always been a land of contradictions where extremes meet every day. Back in the 1500s when Europeans came to the continent, some of the technologies from the big American civilizations like the Mayas, the Aztecs and the Incas were ahead of those of the Spanish and Portuguese visitors. For how advanced they were in some fields of science, in many others the indigenous peoples were terribly far behind.



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Five centuries later, extremes are not the exception but the norm and things are no different within the market research industry. Latin America has always been a diverse region and with this comes the challenges of conducting research in such a varied place. From Mexico to Chile, each one of the Latin American countries has its peculiarities, its own history and a political and economical situation that defines it.

The economic growth of the region is starting to look up (although not as much as some hoped following the 2014 World Cup in Brazil) and the overall poverty rate is declining. This equals more phones with Internet access and in theory an easier way to conduct market research yet researchers still face problems in a heterogeneous region that is increasingly changing.

While many of the Latin American companies strive to jump on the digital bandwagon, some of the countries still struggle with a very poor Internet penetration.

Jorge Martin Frech, managing director at Mercaplan Central America and Caribbean, says traditional forms of data collection are still very much in use in Latin America. "Traditionally, in-home face-to-face has been the most-used data collection method. Given the economic conditions of most markets in this area, in-home fixed lines never reached high penetration rates, so we never migrated completely to CATI," he says.

In more remote areas of this vast region, phone lines are not commonplace, or there are varying degrees of consistency, which is why the traditional method of face-to-face is still used widely. Yet, Frech adds, "There is increasing pressure to produce faster data collection such as what CATI/CAWI can provide. In the region, computer literacy is a challenge for participants, with as many as 50 percent needing to be assisted by field personnel, meaning the sample is no longer completely self-administered. Then there is the reasoning that labor prices remain low so there isn't a great cost-saving in shifting to CASI online, despite the potential for great improvements in quality of the data."

Of course, Frech says, there are many drawbacks to in-home face-to-face interviewing. With technology shifting from traditional pen-and-paper to handheld devices, there have been new issues such

as security problems that can deter market researchers from conducting these types of interviews.

Trying to get a sample using home face-to-face data collection poses a challenge with both the upper and lower classes. Frech cites a reduced sampling frame: "The upper classes are in high buildings or gated communities where it's impossible to be reached on one hand, but on the other, the lower class is also complicated to reach due to security reasons."

Adding to this, Patricio Pagani, executive director at Infotools Ltd., says: "Those of higher socioeconomic levels are increasingly reluctant to open the door to interviewers, out of fear of getting robbed."

A client case

Taking a closer look at the region, Pagani shares a particular client case that looks at the issues previously discussed. "A big consumer goods giant and one of the top-five research spenders worldwide and in Latin America asked us to assess the feasibility of migrating its brand tracking study to digital and to use an online panel to collect a sample," he says. "Their existing tracking was still based on door-to-door paper interviews and there were some markets where they were struggling to collect data from, for multiple reasons.

"The tracker is what we would classify as a simple job to recruit for. Let us take the example of Venezuela, one of the markets involved. Not unlike other Latin American markets, recruiting a total population sample on a monthly basis for a big brand tracker was proving a huge challenge. Males over 40 years old were almost impossible to find in the household at any time of the day. And higher socioeconomic levels were increasingly reluctant to open the door to interviewers. In addition, making the situation worse, the teenagers who could be found at home had grown less and less keen to answer long questionnaires.

"Back to the issue at hand, we set to assess the feasibility of moving the brand tracking online in a number of our clients' most critical markets. On paper, online should have been the ideal solution. The client would be able to reach the affluent targets easily, plus the 40-plus males could fill surveys directly while at work. And in theory we shouldn't have that much trouble

attracting teenagers online.

"But as we started with the assessment, reality hit us very hard. In the bigger markets like Brazil and Argentina, no panel company would be able to provide a big enough panel that would support the size of the tracker and the coverage it required. When applying the six-month blackout period that the client had established for every respondent that had completed a survey, most panels would exhaust much sooner than it was acceptable. Even relaxing the blackout period didn't resolve the issue.

"Thus what we thought would be an easy project to scope – total population, no recruitment filters – suddenly became really hard. The lower socioeconomic levels, which were an important portion of our clients' consumers, were a real stretch for the panel companies. They just could not guarantee enough of them to make it feasible moving forward. We then started throwing into the mix the idea of a mixed methodology. We could do online for the population segments we could find online and complement that with central location intercept interviews. The issue here was that costs skyrocketed for this alternative. Reducing costs was one of the reasons for the migration, though not the main one, so with increasing costs the project became a little hard to swallow.

"In conclusion, it is still very much a to-be-continued situation. We believe that moving to a system like this will one day be the answer to our clients' current issues. It's just that we feel that today we are not quite there – yet."

Spotlight on Venezuela

Moving away from the data collection challenges and towards country-specific market research in the region, Venezuela is facing problems seen throughout Latin America. Fueled by oil prices in 2006-2012, Venezuela was in the height of an economic boom. Fast-forward to 2015 and the economy has been shrinking year by year.

"This situation affects every industry and market research is not an exception," says Miguel Ron, director at Mercom. "This year some market research clients took the decision of slowing their investments in research. Some of them claim that it serves no purpose to invest in research and marketing in an environment where people 'choose'

whatever they have in front of them. Venezuela is currently seeing a situation where people want to wait until the economy is 'back to normal' before investing back into market research."

Every market researcher is taught that when the economy is right, you should invest in research to be able to capitalize on the booming business category and Ron believes this is also right in the opposite of circumstances. "When there is an economic downturn, you should invest as well, in order to better decide where to invest your money. Although this premise is being challenged in Venezuela, what we have seen in market research in 2015 is that, when we occasionally get the ideal conditions in a supermarket, having several options to choose from and among these options is your favorite brand, guess what? People choose their preferences. These preferences are still alive."

As a market, Venezuela has a reputation for being pro-brands, Ron says, "Consumers stick to brands instead of commodities, even when those are cheaper. Venezuelan consumers are also very open to listening to new options. This combination makes them the dream consumers some might say but also a threat to the leader brands that abandon them at this moment."

Ron believes the case for market research in Venezuela is this: "If you can plan ahead a couple of years and wait until the economy gets back on its feet again, keep investing. Consumers are going to reward brands that stay on this track. For those who can only bet for the ongoing year, keep battling in Venezuela as the paradox of no choice. For those who can see and bet beyond 2015, a big reward awaits."

Spotlight on Ecuador

Moving from Central America through Venezuela to Ecuador it becomes clear that Latin America is a diverse combination of countries where the same language does not necessarily mean the same culture.

Julia Helena Carrillo, country manager at Ipsos, gives an outlook from Ecuador that strengthens this fact: "Ecuador is no different and has its own particular identity, which is not that of Colombia and Peru, its neighboring countries. In Ecuador, foreign countries are very closely considered since a large mi-

grating population lives abroad, mainly in Spain and in the northeast region of the U.S. [New York]. Migrants usually maintain very close contact with their relatives in Ecuador especially through online social networking.

"This has greatly influenced a significant penetration and use of the Internet in the general population of Ecuador and has also influenced fashion and the access to a limitless range of American and European consumer goods among the local middle class population.

"Ecuador has shown a sustained growth in its GNP over the past years, as well as a low inflation rate. These positive conditions, backed up by political stability, with heavy government investment in the public sector and a reasonable support for local industry, have allowed for the development of a strong middle class segment, which is better educated and has access to consumer loans.

"In this environment, market research has become a dynamic industry, as compared to prior years when only large industries relied on market research for their decision-making process. In the need of developing new and more attractive products, local industries are now hiring market research companies and specialists.

"New ideas are under research and so are products, packaging and labeling. Big brands are developing new segmentation strategies in order to serve lower-income segments and are thus requiring pricing research services for data gathering and analysis. At the same time, the government is placing high pressure upon large private industries, making them work harder on brand- and corporate image-building. Corporate reputation is a new line of business for the market research industry in Ecuador.

"A higher sense of urgency may be observed throughout the country and market research is no exception for this phenomenon. New and more efficient research models and methods are being developed which are highly reliant on technology. The need for transformation is urgent but unfortunately since there is little prior history of market research investment, budgets are still low for that purpose.

"CAPI research methods are rapidly giving space to tablet information-gathering techniques. Online studies are more

frequently carried out, although this is not the best channel for representing the whole population, due to existing socio-economic barriers. As a response to this situation a new adaptation is becoming popular with very good results, where personal recruitment and central-location methods are used to allow popular segments to be represented in online research. Transnational corporations are very active in the use of ethnographic market research modeling. New and more modern processes based on motives are being used for the generation of new market segments.

"Following a global tendency, the leading local research company has been working with eye-tracking systems for the past five years. Through this model, big brands are researching how consumers react to visual stimuli of labels placed in shelves and TV commercials.

"The next challenge for the market research industry in Ecuador is to understand emotions as they are transmitted through communication and media and being able to gather that information in real time. Use of cell phone technology for marketing research should most likely be the next step in the way."

Final thoughts

For some final thoughts, we turn to Suzana Pamplona Miranda, market research director, Johnson & Johnson Consumer. "Latin America is a region where VUCA [volatility, uncertainty, complexity, ambiguity] and crisis has been the rule for so long, we learn to deal with scarcity and to be creative – and that also applies to market research," she says.

Miranda urges market researchers to make research accessible and share knowledge. "In this sense, I invite you to see ourselves as meaning creators, as curators and partners in knowledge development, the ones who go beyond punctual information and anecdotal stories. We are content curators, from the Latin *curare* – take care of – and from *cura* – care. Because we do care, we are concerned about our impact. We have a responsibility to ignite enlightenment and bring light to uncovered opportunities." 

Helen Parker is external relations manager with ESOMAR. She can be reached at helen@esomar.org.

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Names of Note

In Memoriam...

■ **Mervin Field**, veteran California political pollster and founder of the *Field Poll*, died in June at the age of 94.

■ **Miles Young**, the worldwide chairman and CEO of New York marketing communications firm *Ogilvy & Mather*, will retire in the second half of 2016.

■ *Tremor Video Inc.*, a New York video advertising firm, has appointed **Ariane Gut** as head of insights and analytics.

■ *Disney*, Burbank, Calif., has given ESPN President of Global Sales and Marketing **Ed Erhardt** an expanded role overseeing consumer marketing, research and all sales business operations.

■ Los Angeles homebuilder *KB Home* has appointed **Nick Franklin** as executive vice president of strategic operations.

■ *Harris Interactive U.K.*, part of Rochester, N.Y., firm *Harris Interactive*, has appointed **Pete Cooke** as head of its communities practice.

■ London brand development and marketing insight firm *Added Value* has promoted the following: **Agathe Laurent** to senior vice president qualitative insights in the New York office; **Jeff Kirchner** to senior vice president quantitative insights in the Atlanta

office; and **Suneel Kulkarni** to senior vice president of Added Value in Los Angeles.

■ Kent, U.K., research firm *Facts International* has promoted the following: **Gemma Stephenson** to associate director; **Kerry Baringer** and **Chris Sausman** to research manager; and **Lynsey Clayton** to senior research executive.

■ Van Nuys, Calif., firm *Interviewing Service of America* has appointed **Ed Sugar** as vice president of account services.



Sugar

■ London brand agency *Brand Union* has appointed **Toby Southgate** as the new worldwide chief executive officer.

■ Philadelphia research firm *Focus Pointe Global* has appointed **Melissa Rubio** as account manager, online services, to its online division.



Rubio

■ Menlo Park, Calif., economic and financial consulting firm *Cornerstone Research* is now affiliated with Professors **Pradeep Chintagunta** of the University of Chicago and **Ronald Wilcox** of the University of Virginia.

■ Denver food and beverage consulting firm *Food and Drink Resources* has appointed **Sally Sparks** as vice president of insights.

■ South Jordan, Utah, customer experience firm *MaritzCX* has appointed **Justin Thompson** as vice president of product strategy and **Todd Miceli** as CFO.

■ London firm *Kantar* has appointed **Luca Belloni** as chairman of *Kantar Italy*.

■ *Havas Sports & Entertainment France*, a *Havas Media Group* company, *Purteaux, France*, has appointed **Michel Gotlib** as chief operating officer.

■ Encino, Calif., audiences and insights firm *Instantly* has appointed **Jim Collins** as its executive vice president of the *Instantly Audiences* platform.

■ *Havas Media Group U.K.* has appointed **Nick Wright** to the newly created position of group creative director.

■ Westminster, Colo., targeting and measurement firm *Trueeffect* has appointed **Alex Yoder** as chief executive officer.

■ New York data science company *4C Insights* has appointed **Aaron Goldman** as CMO.

■ New York marketing company *Crowdtap* has appointed **Peter Storck** as senior vice president of research and analytics.

■ U.K. children's entertainment developer and consultancy *Dubit* has appointed **David Kleeman** as senior vice president of global trends, based in the New York office.

■ **Jerry Wright**, chief executive of *Audit Bureau of Circulations*, will step down from his position at the end of 2015 after more than seven years in the role.

■ U.K. firm *MMR Research Worldwide* has appointed **Jan Worsley** as director and **Doug Findlay** has been appointed to a consultative role.

■ London global research consultancy *TNS* has appointed **David Lansanah** as global head of innovation and product development.

■ New York global research firm *Millward Brown* has appointed **Jane Ostler** as sector



managing director of media and digital.

■ U.K. health care research firm *Adept Field Solutions* has appointed **Jennifer Steinberg** as operations director of its newly established U.S. team.

■ New Hope, Pa., health care research and consulting firm *RG+A* has appointed **Kevin M. Kelly** as its executive vice president and COO.

■ *Kantar Media* has appointed **Nathalie Zimmerman-Nénon** as managing director of its global sports business.

■ Mumbai, India, firm *MRSS India* has appointed **Swati Sawant** as the new vice president.

■ Mountain View, Calif., research technology firm *YouEye* has appointed **Juliana Smith Holterhaus** as head of strategic alliances.

■ London independent marketing consultancy *HMG Consulting* has appointed **Oliver Southgate** as head of data and technology solutions.

■ Honeoye Falls, N.Y., research and consulting firm *KJT Group* has appointed **Mathew Francis** as research director.

■ **Robert L. Klein**, president and co-founder of Waltham, Mass., firm *Applied Market Science*, will step down after serving as president for 26 years. **John Mitchell** will take over the role of president and managing principal.

■ *The Worldwide Independent Network of Market Research/Gallup International*, Zurich, Switzerland, has appointed the following new board members: **Laure Castelnau**, IBOPE, Brazil; **Pascal Gaudin**, BVA, France; **Richard Colwell**, Red C, Ireland and **Vilma Scarpino**, DOXA, Italy, as executive vice presidents. Also appointed: **Andrey Milekhin**, Romir, Russia; **Heiner Junker**, Produkt+Markt, Germany; **Ijaz Gilani**, Gallup Pakistan, Pakistan; **Johnny Heald**, ORB International, U.K.; **Kancho Stoychev**, Gallup International Bulgaria, Bulgaria; **Peter Kenny**, Colmar Brunton, Australia and **Selim Saad**, REACH, Lebanon as vice presidents.

■ San Francisco advertising platform *RadiumOne* has appointed **Julien Braun** as

senior director of data and platform for Europe, the Middle East and Asia.

■ New York media company *Univision Communications Inc.* has promoted **Roberto Ruiz** to executive vice president of strategy and insights.

■ Chicago strategy and research company *Shapiro+Raj* has hired **Gill Potter** as managing director for San Francisco.

■ London strategic insight consultancy *Firefish* has appointed **Anne-Marie McCallion** as research manager for its U.K. team and named **Francesca Ferrara** as senior operations manager of its New York office.

■ New York social media management company *Sprinklr* has appointed **Tom Butta** as chief marketing officer.

■ U.K. mobile market research firm *RealityMine* has appointed **Jonathan Briggs** as managing director for its new Sydney office.

■ *The First National Bank of Namibia* has appointed **Daniel Kavishe** as marketing research manager.

■ Sydney sensory research firm *Sensory Solutions* has announced a new ownership team and the immediate retirement of **Paul Squires**, the company's founder and CEO. **Mark Ellis**, general manager, **Jodie Hill**, research director, and **Patrick St. Flour**, finance director, have purchased the company from Squires.

■ *Ipsos Public Affairs* has appointed Dr. **Leonard J. Ponzi** to the newly created position of senior vice president and managing director of Ipsos U.S. Corporate Reputation Practice.

■ New York-based *Nielsen* has appointed **James Powell** as global chief technology officer.

■ Baltimore research firm *Observation Baltimore* has appointed **Ryan Ross** as account executive.

■ *The Broadcasters' Audience Research Board*, an audience measurement and television ratings organization based in the U.K., has appointed **Paul Smith** as project manager and **Sonja Ajdin** as research manager. The organization has also promoted **Joe Lewis**

to deputy research director.

■ U.K. social intelligence software firm *Artesian Solutions* has appointed **Brian Marin** as vice president of services.

■ *OgilvyOne Singapore*, part of New York firm *Ogilvy & Mather*, has appointed **Jason Hill** as head of consulting and data analytics.

■ Horsham, Pa., firm *Marketing Systems Group* has appointed **Jeff Palish** to senior vice president.

■ Baldwinsville, N.Y., firm *Research and Marketing Strategies Inc.* has appointed **Keith Chidsey** as director of research analytics.

■ *Samsung North America* has appointed **Marc Mathieu** as U.S. CMO and **Jesse Coulter** to the newly created position of U.S. chief creative officer.

■ Costa Mesa, Calif., firm *MFour Mobile Research* has appointed **Alex Colao** as senior solutions executive.

■ New York firm *Ipsos* has appointed **Gary Bennewies** to the newly created position of global chief talent officer.

■ London health care research firm *Research Partnership* has promoted **Will Tolley** to associate director.

■ U.K. firm *Join the Dots* has appointed the following: **Mark MacNaughton** as account development director; **Tim Burge** as associate director; and **Steven Marsh** and **Laura Hunt** as research directors.

■ *The Interactive Advertising Bureau Australia* has appointed **Lisa Walsh** as its director of research.

■ Concord, Mass., business information solutions firm *Avention* has appointed **Paul Charnatz** as senior vice president international.

■ Norcross, Ga., research and consulting firm *Marketing Workshop* has promoted **Randy Kosloski** to vice president of client services.

■ U.K. firm *ResearchBods* has hired **Viktor Vyskrebentsev** and **Ricardo Lopera** as full-stack developers.

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Research Industry News

News notes

■ **Facebook** has opened a new artificial intelligence (AI) lab in its Paris office. The new team will work with the existing Facebook AI research teams in Menlo Park, Calif., and New York on things like image recognition, natural language processing, speech recognition, machine learning, live translating tools and more. Facebook says it hopes the research will ultimately improve services like news feed, search and photos and allow a new set of ways to connect and share.

■ **The British Polling Council (BPC)** in June urged the House of Lords to reject a private members bill being presented by Lord Foulkes on the regulation of opinion polls. The bill proposed that an authority be established to regulate polls of voting intentions for elections and referendums in the U.K. that would be able to specify approved ways for selecting who should be interviewed, how the questions in the polls should be worded and to ban the publication of voting intention polls during an election campaign. The BPC argued that imposing regulatory standards would put at risk the experimentation and competition needed to improve the way polls are conducted. The BPC also said access to the poll results would be confined to those who pay for the

polls, like banks and political parties or someone who could find the results on an overseas Web site, leaving the ordinary voter out of the loop.

■ **Amazon** has received a mobile security patent for a technology that would allow smartphone users to unlock their devices by holding them up and allowing the device to scan the shape of their ears. The technology, not unlike a fingerprint scanner, uses the device's front-facing camera to scan the ear and conduct a comparison to an image of the owner's ear that is already on file. An individual's ear is as unique as their fingerprint, making the method just as secure as fingerprint scanning. The technology also offers other tasks like adjusting speaker volume based on how close the device is to the ear. Amazon has not stated whether it will use the scanning device on any of its upcoming devices.

■ Paris firm **Toluna** celebrated its 15th anniversary in the market research industry in June.

Acquisitions/transactions

■ **Decision Resources Group**, a Burlington, Mass., health care analytics company, has acquired **Healthcare Business Insights**, a health care consulting company based in Greenfield, Wis.

■ New York out of home (OOH) media firm **Kinetic** and New York media company **GroupM** have agreed to buy controlling stake in Paris, France, OOH media firm **Poster Conseil**.

■ **Clarabridge Inc.**, a Reston, Va., customer experience management firm, has acquired **Engagor**, a customer service platform based in San Francisco.

■ London communications firm **WPP** has increased its stake in **TechEdge**,

a television audience measurement software firm based in Denmark, from 20 percent to 49 percent.

■ New York firm **Nielsen** has acquired Boston consumer neuroscience firm **Innerscope Research** and has renamed its combined offering as **Nielsen Consumer Neuroscience**.

■ Shelton, Conn., firm **SSI** has acquired **MyOpinions** in Australia and **SmileCity** in New Zealand.

■ **Microsoft** has acquired Berlin company **6Wunderkinder**, developer of the to-do list app Wunderlist. The app will help enhance Microsoft's cross-platform mobile options.

■ New York social media management software firm **Sprinklr** has acquired Washington, D.C., text analytics software company **NewBrand**.

■ London media and digital marketing communications firm **Dentsu Aegis** has acquired majority share in **Flemedia**, a digital advertising agency based in Bangkok.

■ San Francisco technology company **Quantcast** has expanded into Europe following the acquisition of Stockholm digital advertising firm **Ad Performance**. Quantcast has also opened a new office in Milan, Italy, and has appointed Ilaria Zampori to the newly created role of general manager, Italy.

■ New York marketing communications brand **J. Walter Thompson** has acquired a minority stake in **WANDA Digital**, an independent digital agency based in Turkey.

■ Chicago firm **IRI** has become the major shareholder in **GIRA Foodservice**, a European out-of-home information provider based in France. The new partnership will allow IRI to expand its channel cov-



quirks.com/articles/2015/20150812.aspx

erage and deliver a range of services, analysis and solutions on the out-of-home market.

■ Santa Clara, Calif., technology solutions company **Hitachi Data Systems** has acquired Orlando, Fla., data integration, visualization and analytics company **Pentaho**.

■ Los Angeles marketing services company **Connexity** has acquired **PriceGrabber**, a retail lead-generation platform and network also based in Los Angeles. Together the combined company will be a source of high-intent shopping leads for retailers and brands.

■ New York global media investment management company **GroupM** had acquired **Greenhouse Group**, a digital media and marketing service based in the Netherlands.

■ Chicago-based **Groupon** has acquired Seattle customer experience measurement and analytics platform **Venuelabs**.

■ Westlake Village, Calif., firm **J.D. Power** and the **National Automobile Dealers Association (NADA)** announced an agreement under which J.D. Power will acquire NADA's Used Car Guide business, a source of used-vehicle values. The transaction is expected to close early in the third quarter of 2015 and is subject to Hart-Scott-Rodino Act review.

Alliances/strategic partnerships

■ Warsaw, Poland, Internet research company **PBI** (Polskie Badania Internetu) has commissioned **GfK** to provide online audience measurement in Poland, supplying a currency for digital advertising starting in January 2016. The contract will run for four years.

■ New York-based digital audio advertising firm **TargetSpot** will use **Nielsen's** PRIZM segmentation data to apply data targeting across its platform.

■ **The Media Development Authority of Singapore** has commissioned **GfK** to provide total audio-visual audience measurement currency for Singapore. The contract will run for three years, with a two-year renewal option.

■ Mobile app **Foursquare** has partnered with **Uber** and mobile deep-linking startup **Button** to integrate Uber into the Foursquare app. This new partnership allows Foursquare users to choose a destination using the app and be given the option to travel there using Uber. Users will also be able to select the type of vehicle they prefer.

■ New Brunswick, N.J., firm **Keller Fay Group** has collaborated with New York firm **Nielsen** to create Word of Mouth Influencer Segments, a solution that allows advertisers to reach audiences most likely to boost their marketing efforts. The new service combines consumer activity, as measured by Nielsen, with consumer conversations about products, services and brands from Keller Fay's Talk Track, the company's ongoing study of word of mouth.

■ Austin, Texas, ad management company **Sizmek** has partnered with Redwood City, Calif., online-to-offline marketing firm **Retailgenie**. The partnership will enable brands to incorporate real-time and offline shopping data into media on all screens to drive in-store foot traffic and purchases at brick-and-mortar locations.

■ The sports division of Portland, Ore., research company **Rentrak** has signed a branded entertainment agreement with the **Canadian**

Basketball League (CBL). The CBL will use Rentrak Branded Entertainment to evaluate the value of advertising displayed on the LED billboards during games.

■ U.K. analytics firm **Datasift** and U.K. social analytics platform **Pulsar** have partnered with Facebook to offer anonymized and aggregated Facebook topic data to brands and businesses.

■ **Yahoo** is partnering with third-party measurement companies to bring independent viewability and fraud measurement for display and video advertising on Yahoo-owned and -operated properties and media purchased across its programmatic buying platform. This partnership allows advertisers running campaigns with Yahoo to choose from a variety of measurement solutions for greater transparency into campaign performance to ensure appropriate return on advertising spend, brand safety and ad effectiveness.

■ **Veterans Florida**, a corporation founded to encourage military service members and veterans to relocate to Florida, has contracted Tampa, Fla., firm **Study Hall Research** for two separate national research studies.

■ Netherlands online publishers **VINEX** and Dutch audience research firm **Stichting KijkOnderzoek** have expanded the contract with Kantar Media to measure all online viewing behavior in the Netherlands.

■ Boston mobile loyalty rewards platform **SessionM** and Rhinebeck, N.Y., research firm **Phoenix Marketing International** are partnering on product offerings that reduce market research costs while increasing the scale, scope and quality of data.

■ Ontario, Canada, firms **Health**

Connexions and **Ascentii** are partnering to offer the RoleFit Survey, a cloud-based system that helps employees find job candidates with more speed and better accuracy.

■ Mountain View, Calif., social media analytics company **NetBase** is partnering with **Twitter** to enable NetBase to work with Twitter to integrate fully with the social media platform, to release new products more efficiently and to offer more detailed and actionable brand intelligence.

■ New Delhi research and consulting firm **6Wresearch** announced a research engagement with **TP-LINK**, a networking products company based in China. The engagement will allow 6Wresearch to assist TP-LINK in identifying opportunities and strategies to expand its market share in India.

■ London fashion trend insight and analysis firm **WGSN** announced a joint venture with **China Textile Information Center** to drive business growth in the Chinese market.

■ Chicago firm **Information Resources Inc.** and Leesburg, Va., firm **GuestMetrics** have increased data collection from restaurants and bars in the U.S. by 50 percent for a total of more than 15,000 on-premise locations. The two companies aim to offer a comprehensive view of the shopper, with point-of-sales data being gathered for the on-premise channel.

Association/organization news

■ **The Marketing Research Education Foundation**, an independent foundation aiming to give children worldwide a quality education, gave San Diego, Calif., school Old Town Academy a \$5,000 grant to train teachers in project-based learning and common core subjects.

■ **The Qualitative Research Consultants Association** (QRCA) will again offer its Young Professionals Grant (YPG) program in 2015, providing up to 10 grants. The YPG program aims to attract young qualitative research profession-

als to enhance their skills through engaging with QRCA members. Up to 10 young professionals will attend QRCA's 2015 annual conference in Orlando, Fla., this October.

■ **The Marketing Research Association**, Washington, D.C., has appointed the following to its board of directors: Vaughn Mordecai of bChannels as chairman; Ted Donnelly of Baltimore Research as immediate past chairman; Dan Womack of Aflac as vice chairman; Scott Baker of Schlesinger Associates as treasurer; Rob Stone of Market Strategies International as secretary and David W. Almy of MRA as ex officio. Also appointed: Ivy Boehm of Chico's FAS, Tim Hoskins of Quester, Ginny Kevorkian of Beacon Health Systems and Kathryn Korostoff of Research Rockstar as newly elected directors at large; Jim Bryson of 20|20 Research Inc. and Keith Malo of Valpak Direct Marketing Systems Inc. as continuing directors at large.

■ **The Council of American Survey Research Organizations** (CASRO) and the Marketing Research Association (MRA) filed a joint comment to the Federal Communications Commission (FCC), which voted and later approved new rules and regulations implementing the Telephone Consumer Protection Act on June 18. CASRO and MRA asked in the letter that the FCC limit the use of the term "robocall," clarify the definition of an autodialer, establish a bright line rule regarding reasonable opt-out and establish a clear standard for notice of wireless number reassignment. The two firms later released a separate comment on the approved rules that broaden restrictions on autodialed calls to cell phones without differentiation or caller intent. CASRO and MRA said this ignores the TCPA's original purpose to curtail telemarketing calls, makes research less accurate, increases costs and invites more class-action lawsuits against researchers. Both associations said they urge the FCC to refocus on measures that would protect consumers by expanding the agency's enforcement to deter and punish illegal and abusive

telemarketers instead of harming research businesses.

■ A new association is being established in Canada in hopes of enhancing the quality of public opinion research. **The Canadian Association of Public Opinion Research** aims to bring greater professionalism, transparency and accountability to the industry. The new group will only be open to individuals and they will be required to adhere to a code of professional ethics and practice and be subject to peer oversight. The founding board includes pollsters, political science academics, a lawyer and members of the media. The new organization will be based out of the Laurier Institute for the Study of Public Opinion and Policy at Wilfrid Laurier University in Waterloo, Ontario, and hopes to be up and running in time for the federal elections taking place in October. Darrell Bricker, global head of Ipsos Public Affairs, is the group's chairman elect.

Awards/rankings

■ Bernard Jaworski has won the **AMA Marketing Strategy SIG's** 2015 Mahajan Award for Lifetime Contributions to Market Strategy Research.

■ Auburn Hills, Mich., research firm **Gongos Inc.** and **General Motors**, Detroit, accepted the award for excellence for client-partner collaboration in the first annual Market Research in the Mobile World (MRMW) North America Conference and Awards Gala in New York in May. MRMW recognizes companies and individuals for important findings in mobile market research.

■ **The Advertising Research Foundation** (ARF), New York, announced that **David Poltrack**, chief research officer of CBS Corporation and president of CBS Vision, has won this year's Erwin Ephron Demystification Award. The award honors those with the ability to communicate complex insights and lead organizations through challenging scenarios, effectively translate cre-

ative ideas into action and promote the advancement of analytical leaders in organizations.

■ The following awards were presented at the **MRA Insights and Strategies Conference** in June: the Volunteer of the Year award was given to **Elizabeth Merrick**, MBA candidate at the University of Florida, and **Tim Hoskins**, president of Quester, for excellence in service to the MRA over the past year; the Meritorious Service award was given to **Ken Roberts**, president of Cooper Roberts Research, and **Shelley Zalis**, CEO of Ipsos OXT, for leadership and dedication resulting in great contributions to the research industry; the Impact award was given to **Jack MacKenzie**, president of Magid Generational Strategies at Frank N. Magid Associates, for vision and leadership that led to positive impact in the research industry; and the Honorary Lifetime Membership award was given to **Steve Schlesinger**, CEO of Schlesinger Associates, for a lifetime commitment to the MRA and the research profession.

■ **Merrill Shugoll**, president of Bethesda, Md., firm Shugoll Research, was among the shortlist of recipients for the 2015 Brava! Awards presented to 40 of Greater Washington's top women business leaders by **Washington SmartCEO**.

New accounts/projects

■ U.K. technology and consumer analytics firm **RealityMine** has been chosen by the **Coalition for Innovative Media Measurement (CIMM)** to undertake the Children and Teens' Measurement project, which aims to give a comprehensive view of cross-platform, digital and mobile measurement of content and ads among children and teens aged 2 to 17. The project, which includes TiVo research TV viewership data, will be the first to use a router meter for a whole-home view of Internet content consumption combined with passive metering, audio fingerprinting content recognition and advanced behavioral analytics.

■ **TNS Research Surveys**, part of London firm TNS, has been awarded a five-year contract for a new radio audience and currency measurement survey for the **National Association of Broadcasters South Africa**. Other firms that were also shortlisted for the survey include GfK, Ipsos, AC Nielsen and Ask Afrika.

New companies/new divisions/relocations/expansions

■ **Qualtrics**, a Provo, Utah, survey software provider, has opened new European headquarters in Dublin, adding 100 new jobs.

■ **SIS International Research**, New York, has opened an office in Frankfurt, Germany.

■ Eindhoven, Netherlands, software company **CMNTY** has opened a new office in New York.

■ Prague, Czech Republic, research firm **MEDIA RESEARCH** has changed its name to **Nielsen Admosphere**, as well as its logo and other brand elements. The agency became a member of Nielsen holdings after AC Nielsen Netherlands acquired 51 percent stake in MEDIA RESEARCH.

■ U.K.-based financial services research firm **Bdifferent** has opened a new office in Singapore.

■ Stockholm research, consulting and IT firm **Nepa** has expanded into qualitative online research and has appointed Sigrid Wiklund as head of qualitative research.

■ Redwood City, Calif., global audience technology company **YuMe** is expanding into the Chinese digital advertising market with two new offices in Shanghai and Beijing and partnerships that span its suite of advertising solutions, including Connected TV, online and mobile advertising and third-party measurement and verification services. YuMe will partner with firms including Shanghai data solution provider AdMaster, third-party advertising firm Miaozen Systems, based in Beijing, Nielsen-CCData and others.

■ New York managed analytics firm **Ugam** has expanded its technology team to more than 30 business analysts, architects and developers.

■ Boston-based **Communispace** has changed its name to **C Space**. Promise Communispace and Jigsaw International, the agency's European and Asian consultancies, will also operate under the name C Space.

■ Regina Corso, a former employee at Harris Interactive and head of The Harris Poll for eight years, has started her own full-service research company, **Regina Corso Consulting**, which will focus on research specifically designed for public release.

■ Mark Penn, senior executive at Microsoft and co-founder and CEO of research firm Penn Schoen Berland, has formed the **Stagwell Group LLC**, an investment advisory company that will invest in advertising, research, data analytics, public relations and digital marketing services.

■ Austin, Texas, research firm **Latin Field** has opened a new focus group facility and call center in Mexico City.

■ **Ruby Cha Cha U.K.**, an arm of the Australia boutique research and planning consultancy Ruby Cha Cha, is re-branding to **Kubi Kalloo**.

Research company earnings/financial news

■ London communications firm **WPP** reported revenue of £3.776 billion for the first four months of 2015, up 8 percent from last year.

■ Berlin, Germany, mobile survey startup **Dalia Research** announced the closing of a seven-digit seed round, led by Wellington Partners, a venture capital firm based in Munich, and the IBB Beteiligungsgesellschaft, based in Berlin. Existing angel investors, including Berlin venture capital firm WestTech Ventures, also participated in the round.

CALENDAR OF EVENTS

●●● can't-miss activities

The Management

Roundtable will present a conference, themed "Summer Camp 2015: Positive Digital Strategy," on **August 5-7** in **Colorado Springs, Colo.** Visit <http://thecollaboratives.com/>.

Southwest MRA will hold its 2015 SWMRA Annual Educational Forum on **August 6-7** at The Hilton Garden Inn in **Austin, Texas.** Visit <http://www.swmra.org/>.

Worldwide Business

Research will hold its flagship conference, "eTail East," on **August 10-13** at the Sheraton Boston Hotel in **Boston.** Visit www.etaileast.com.

The AMA will hold its summer marketing educator's conference on **August 14-16** in **Chicago.** Visit www.ama.org.

Adaptive Path will hold its flagship event, UX Week, on **August 25-28** at the Hyatt Regency San Francisco in **San Francisco.** Visit <http://www.adaptivepath.com/events-training/>.

MRA Great Lakes Chapter will hold its fall conference on **September 9-11** at the Hyatt Regency Hotel in **Cincinnati.** Visit <http://www.glcma.com/>.

The 2015 Pharma CI USA Conference and Exhibition will be held on **September 10-11** at the Hilton Parsippany Hotel in **Parsippany, N.J.** Visit <http://pharmaciconference.com/>.

The Merlien Institute will hold a conference, themed

"Market Research in the Mobile World Europe," on **September 15-17** in **London.** Visit <http://www.mrmw.net/europe>.

MRS will hold its Luxury Research 2015 conference, themed "Essential Insights into Affluent Customers and Luxury Trends," on **September 16** in **London.** Visit <https://www.mrs.org.uk/>.

Unicom will hold a conference, themed "Data Analytics, Business Intelligence (Analytics) and the Roles of Predictive Analytics and Real Time Analytics" on **September 17** at the Congress Plaza Hotel in **Chicago.** Visit <http://conferences.unicom.co.uk/data-analytics-chicago/>.

The Strategy Institute will hold its Digital Customer Experience Strategies Summit on **September 23-24** in **Chicago.** Visit <http://www.digitalcustomerexp.com/>.

The AMA will hold its annual marketing research conference on **September 27-29** in **Austin, Texas.** Visit www.ama.org.

ESOMAR will hold its annual congress on **September 27-30** in **Dublin.** Visit www.esomar.org.

PMRG will hold its ninth annual meeting of the PMRG Institute on **October 4-6** at the **Marriott Philadelphia Downtown.** Visit <http://www.pmr.org/EventsWebinars/tabid/58/Default.aspx>.

The MRA will host the Corporate Research

Conference on **October 5-7** in **St. Louis.** Visit <http://crc.marketingresearch.org/>.

QRCA will hold its annual conference on **October 7-9** at the Hilton Bonnet Creek in **Orlando, Fla.** Visit www.qrca.org.

Richmond Events will host a conference, themed "The Market Insight Forum," on **October 8** at the Harvard Club in **New York.** Visit <http://www.us.marketinsightforum.com/>.

Worldwide Business

Research will hold a conference, themed "Luxury Interactive," on **October 13-15** at the Time and Life Building in **New York.** Visit www.luxuryint.com.

MSPA North America will hold its Customer Experience Conference on **October 13-15** at the Hilton Universal City in **Los Angeles.** Visit <http://www.mspa-na.org/events>.

The Neuromarketing Science and Business Administration (NMSBA) will hold a conference, titled "Neuromarketing in Retail," on **October 15-16** in **Amsterdam.** Visit <http://www.neuromarketingretail.com/>.

CASRO will hold its annual conference on **October 21-23** in **Miami.** Visit <http://www.casro.org/?page=40AC>.

The Merlien Institute will host a conference, themed "Qualitative 360 Asia Pacific," on **October 21-22** in **Kuala Lumpur.** Visit <http://qual360.com/asia-pacific>.

The Life Insurance and Market

Research Association will hold its annual conference on **October 25-27** at the Sheraton Boston Hotel in **Boston.** Visit www.limra.com.

Research and Results will hold its annual conference on **October 28-29** at the MOC Convention Center in **Munich, Germany.** Visit <http://www.research-results.com/trade-show/exhibitor-information>.

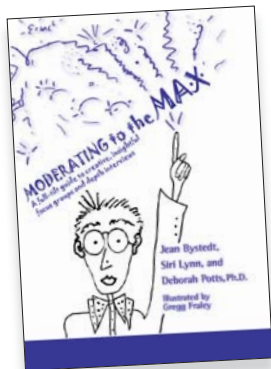
IIR will hold its Market Research Event on **November 2-4** at the Rosen Shingle Creek in **Orlando, Fla.** Visit <http://www.iirusa.com/research/event-home.xml>.

The Merlien Institute will hold a conference, themed "Market Research in the Mobile World Africa," on **November 3-5** in **Cape Town, South Africa.** Visit <http://www.mrmw.net/africa>.

MRA Great Lakes Chapter will hold its winter conference on **January 20-22** at the Diamond Head Beach Resort and Spa in **Ft. Myers Beach, Fla.** Visit <http://www.glcma.com/>.

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

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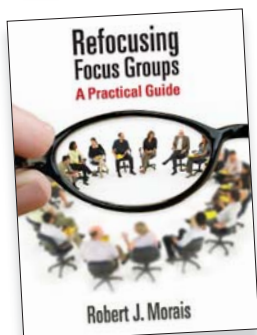
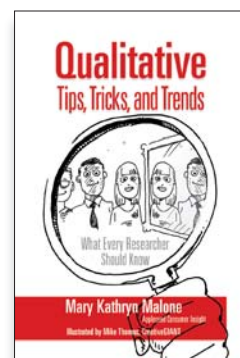
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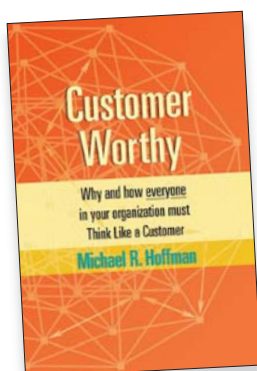
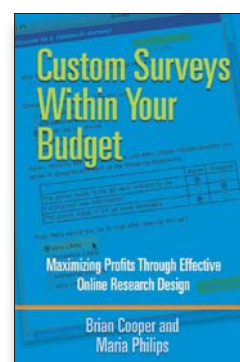
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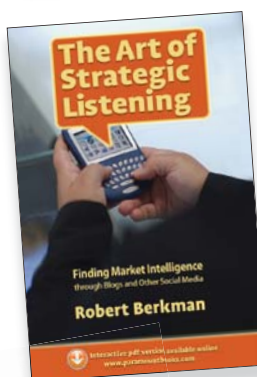
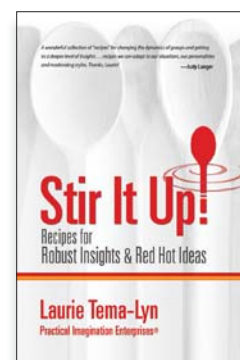
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BEFORE YOU GO ●●● issue highlights and parting words

●●● cover-to-cover Facts, figures and insights from this month's issue

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The researchers gained access to data that allowed them rare insight into the effects of position in paid search advertising on Google.

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Customers often are relatively satisfied with the existing offering. If they are not satisfied they would not be existing customers.

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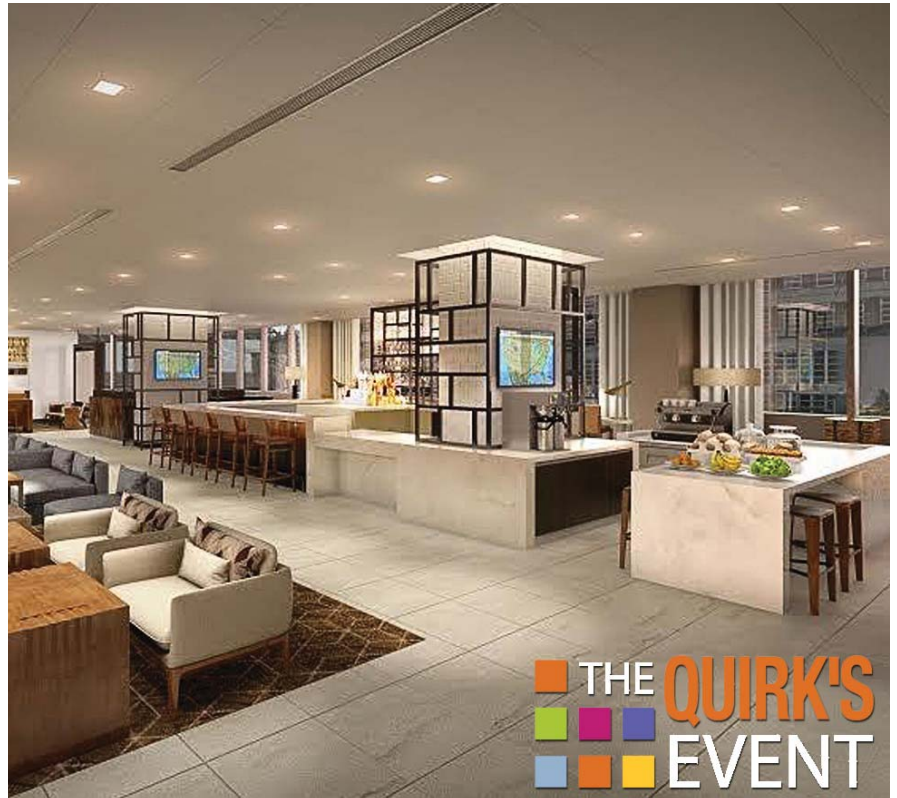
Since product development can often change course quickly, research activities must take on a variety of forms to get the right kind of feedback.

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Researchers don't have the time or resources to create the perfect questionnaire.

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More and more research shows that imposing age or any such rigid dimension can be very limiting.



THE QUIRK'S
EVENT

The Quirk's Event 2016

The Quirk's Event will be back at the Marriott Brooklyn Bridge on February 23-24, 2016 on the heels of a huge renovation! The results of our post-event survey made it clear that attendees loved the Brooklyn location as well as the unique networking and learning opportunities the event had to offer. The conference will continue to flip the traditional model and center around the exhibit hall, setting the stage for face-to-face meetings with friends new and old. A packed schedule of workshops will offer research and insights professionals a host of new ideas, practical tips and informative methodology overviews.

The inaugural Quirk's Event sold out weeks in advance and we expect the 2016 gathering to sell out as well. Go to www.thequirkseven.com to pre-register. We hope to see you in 2016!

Coming in the October Quirk's

●●● customer experience research

Jim Tinch explains how to create customer journey maps.

●●● customer experience research

A look at the value of a multi-source CEM text analysis process vs. a single-source dashboard approach.

●●● health care research

What are the seven ways that marketing research can contribute to failing a consumer label comprehension study?



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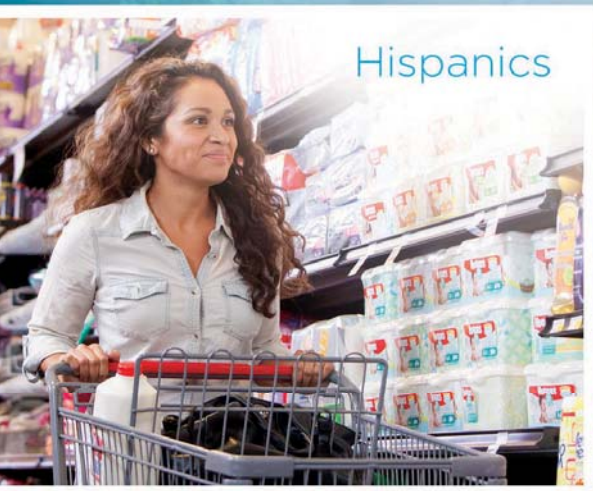
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