Chapter 6

ONLINE MARKETING RESEARCH

Web and e-mail surveys promise to be a driving force in marketing research as access to the Internet increases throughout the world. Current projections indicate that by the year 2005, 75 percent of all U.S. households will have Internet access, and by the year 2010, 90 percent of all U.S. households will have Internet access.

The Internet has experienced a growth rate that has exceeded any other modern technology, including the telephone, VCR, or even TV. However, the Internet has diffused from a highly educated, white-collar, upper-income, male dominated core. At the opposite end of the spectrum, the elderly, single mothers, African Americans and Hispanics, and lower-income individuals are less likely to adopt or have access to the Web.

Until the Internet and e-mail are adopted by the entire population, online survey research of the general population may be limited. For some studies, this may be a serious limitation. However even today, special interest groups such as computer users, company employees, students, or association members may have nearly 100 percent Internet access and check e-mail on a daily basis.

Lifestyle and attitude changes are seemingly responsible for changes in the way we buy products. Strong upward trends are observed in the percentage of Internet purchases for airline tickets, CDs, DVDs, books, computer software, hardware and systems. These online customers provide excellent access for research purposes.

Advocates of online surveying quickly point to the elimination of mailing and interviewing costs, elimination of data transcription costs, and reduced turnaround time as the answer to client demand for lower cost, more timely, and more efficient surveys. As a result, online marketing research has become so widely accepted that by the year 2005, online research has been optimistically projected to account for as much as half of all marketing research revenue, topping $3 billion. While these numbers appear to be overly optimistic, it is clear that online research is growing and that researchers operate in a much faster-paced environment than ever before (see Exhibit 6.1). This pace will continue to increase as new modalities for research open: wireless PDAs, Internet-capable mobile phones, Internet TVs, and other Internet-based appliances yet to be announced. Each is an acceptable venue for interacting with the marketplace and conducting online research.

Researchers are experienced in conducting research, but often not in using or implementing online methodologies, assessing the challenges (limitations and demands) associated with the technology, or selecting and managing the respondents to be interviewed.

Jeff Miller (Miller, 2000) of Burke Research described cooperative research with the Gallup organization that was conducted to compare the way people respond to face-to-face, telephone, and online focus groups by stating that results indicate that people use more strong words (positive and negative) online. This may be because there is less social pressure, or they are more honest because they feel anonymous. Respondents to online survey questions about the likelihood of purchasing household consumer products were less likely to use the end points of the scale, "definitely will buy" and "definitely will not buy," than people responding to telephone surveys about the same products. Giving a scale online may be different from listening to scale point descriptions in a telephone interview. When online surveys were compared with paper-and-pencil surveys, the between- and within-subjects components to the experimental design showed comparability of results. Exhibit 6.2 shows the experience of one research firm.

Another study by ACNielsen (Miller, 2001) reported the results of 75 parallel tests comparing online and traditional mall intercept methods. Researchers noted high correlations in aggregate purchase intentions. While online measures may yield somewhat lower score values, recalibration of averages against appropriate norms produced accurate sales forecasts. Wilkie further reported that while responses may be similar, the demographic profiles of online and traditional respondents groups do differ. Given that the current percentage of households online is approximately 60 percent, statistical weighting of cases could be used to adjust demographic differences of online groups to match mall intercept or telephone populations. However, the possibility of weighting actually raises the question of whether to model phone or mall intercept behavior or to attempt to independently model the actual behavior of the respondents.

This chapter addresses some of the issues that must be considered to make effective use of online research and to provide a better value than conventional research approaches, including the following:

- E-mail survey error
- Probability and nonprobability survey approaches
- Internet survey software
- Online survey capabilities and technologies
- Online qualitative research

The majority of online research can be typified as a one-shot mailout, the objective of which is to obtain a sufficient number of completed responses. However there is rarely much thought given to the issues of representativeness of the sample, or validity and accuracy of the results. The question is, then, what is required for effective online research?

EXHIBIT 6.1 Growth of Online Research

Donna Wydra, director of the interactive solutions group for Market Facts, Inc., recently surveyed her clients and found that on average they plan to devote a third of their research budget to online

studies in the coming years (James, 2000). John Gilbert, market research manager for Atlanta-based United Parcel Service, Inc., conducts internal research but also uses market research firms and says it's been a no-brainer to use the online medium. "Between 40 percent and 50 percent of our customers are online so it makes sense . . . nearly 40 percent of U.S. households have online access, which makes sample quality less of an issue than in the past" (James, 2000) Clients find no difference in the results of traditional and online studies, and the online studies are considerably cheaper and faster to execute. Companies need more and more data tracking the performance of e-commerce solutions and the behavior of online consumers. "It doesn't make sense to use mall research," says Dennis Gonier, president of Dallas-based Digital Marketing Services (James, 2000).

EXHIBIT 6.2 Gelb Consulting Group

Gabe Gelb is founder and senior consultant with Houston-based Gelb Consulting Group, Inc., a marketing research and consulting firm. For five years, Gelb conducted an annual survey of commercial office building candidates for Hines Property Management, part of the extensive Hines real estate development and management empire also based in Houston. The first four studies were done by mail to more than 1,000 tenants in Hines buildings throughout North America.

This year, the firm offered respondents a choice of going online and being surveyed electronically (they were holding a mailed copy of the survey form as they considered the online invitation). Ultimately 40 percent of the tenants completed the password protected online survey, which resulted in an amazing 71 percent response rate. Because the Hines managers were concerned that electronic data might differ significantly from questionnaires spelled out by hand, Gelb's team tabulated paper and Web responses separately. There was no statistical difference in the two subsets. Each Hines property manager could view the results for his property online and compare them with regional and national averages (Lamons, 2001, 9).

Online research works for more conventional surveys too. Gelb had success with using gift certificates as inducements in e-mail studies where recipients met demographic requirements. The chance to win a $50 or $100 Amazon.com gift certificate is popular, he says. The firm typically budgets $500 for these incentives and builds the cost into the total survey budget (Lamons, 2001).

Speed is another advantage of online surveys. Gelb observed that 75 percent to 80 percent of the surveys using online methodologies targeted response to be generated within 48 hours. Compare that to a telephone survey that recently was involved in a study for one of his clients: It took almost 70 days to obtain 150 interviews (Lamons, 2001). Voicemail in corporate America has created an almost impenetrable barrier to most professional survey candidates.

E-MAIL SURVEY ERROR

Researchers generally recognize four major sources of survey error:

- Coverage error
- Sampling error
- Nonresponse error
- Measurement error

These same sources of error must be addressed regardless of the mode of survey data collection. Fundamental to effective sampling is proper definition of the sampling plan. The sampling plan details the source, nature, and size of the sample. This requires that we specify, in detail, the characteristics of survey respondents and the methodology for finding and contacting these respondents. Sampling procedures are discussed in detail in Chapter 12.

The sample design includes such decisions as how to identify an appropriate sample frame—a means of accounting for the individual elements or members of the target population of interest—and determining the type of sample, whether it be a probability sample or nonprobability (judgment, convenience, or other nonrandom) sample. The objective is to minimize error and control precision and accuracy by properly selecting the sample.

Coverage Error

Coverage error occurs when the sample frame or group from which the sample is drawn does not represent the population as a whole. For example, a random sample of AOL users would be a mismatch for the adult population of the United States.

In more traditional research methods such as mail or telephone methodologies, samples are drawn from sources such as telephone directories, driver's license records, rolls of property owners, credit reports, and so forth. Companies such as Experian provide credit reports based on extensive databases that record the credit and asset acquisition (home and car buying) history of individuals. Experian is judged to be one of the most accurate sources for demographic and geographic sampling frames, but is of limited value for online e-mail surveys in that it is not at present replete with e-mail contact information and tends to ignore those who have not applied for credit.

For the time being, however, e-mail lists for specific sample frames are less than perfect. Internet businesses are regularly offered CDs containing millions of e-mail addresses for $100 or less. These lists are generally heavily loaded with business rather than consumer contacts and are rarely identified or sorted by any usable market or segment characteristic. Furthermore, no demographic information is available, and, if included, is highly suspect.

Firms such as Experian, NetCreations (postmasterdirect.com), sendmoreinfo.com, and surveysampling.com offer e-mail addresses selected by gender, interests (computers, electronics, family, finance, Internet, medical, and travel), and online purchasing. Furthermore these lists consist of what is known as double opt-in, meaning that the users have specifically indicated their agreement to receive surveys or other promotional materials. The more detailed the sample criteria selected by the researcher, the higher the cost of these listings. Targeted specialty lists that reduce coverage error are not inexpensive, often costing 50 cents or more per delivered e-mail address and much more per completed response. E-mail name brokers make a practice of not providing the list, but of sending the survey invitation out, thereby controlling their list and avoiding repeated use of the list.

Because online sampling frames rarely include all elements of the target population, coverage error will continue to be the greatest source of inaccuracy for online surveys for many years to come. While this same problem is often encountered in the use of mail and phone lists, it is not as severe as with online e-mail lists, which are often based on lists from sites that have specialized hobby and interest affiliations. Selecting lists from carefully constructed probability panels or panels having millions of members helps in reducing coverage error.

Sampling Error

Sampling error occurs when a nonrepresentative sample is drawn from the sampling frame. The estimation of sampling error requires that probability sampling methods be used, where every element of the frame population has a known nonzero probability of being selected, which may be made the same (i.e., equal) for all.

Online surveys are subject to certain amounts of sampling error. However, unless the sample is drawn from an online panel or other frame with known size and characteristics, the degree of sampling error is generally unknown. Sampling error is reduced in part by increasing the sample size, a relatively easy task when using online survey methodology. However when the relationship between the sample frame and the target population is unknown, statistical inferences to the target population using confidence intervals may be inaccurate or entirely misleading.

Nonresponse Error

Researchers frequently debate whether the validity and accuracy of online survey methodology is sufficient to justify its adoption. Advocates of online surveying quickly point to the increased number of unlisted telephone numbers as a reason for the change from traditional research methods. The decline in telephone survey response rates has spurred the switch from telephone surveys to online-based research.

Cost issues aside, Internet surveys face the same nonrespondent problems for which telephone survey methodologies are criticized. Online surveys present unique challenges. Not only are spam filters preventing many survey requests from getting reaching the "In Box," but frequent users of the Internet often run in a fast-paced world, resulting in lower response rates and self-selection bias depending on the appeal of the survey topic, survey length, and incentives to complete the survey.

It has been suggested by Shaffer and Dillman (1998) that fundamental to this issue is the assurance of acceptable levels of response quantity and quality. Without adequate survey response, the representativeness of the sample, and consequently validity or accuracy of results, will never be achieved.

As with traditional marketing research, the keys to increasing response rates and reducing nonresponse error are the use of multiple notifications and requests, and the use of personalization in the contact and request to be interviewed. In addition, when the population of interest is not adequately represented online, a mixed-mode survey strategy is appropriate. A combination of e-mail and telephone, mail, or mall intercept should be considered.

The single most important factor contributing to a survey's response rate is the number of attempts to make contact with each prospective respondent. While many studies have confirmed this fact, one of the more rigorous is by Shaffer and Dillman (1998), who conducted a comparative study of response rates for mail and e-mail surveys. In this field study, respondents in the mail and e-mail treatment groups were contacted four times and sent (1) pre-notifications, (2) letters and surveys, (3) thank-you/reminder notes, and (4) replacement surveys. Results showed no statistically significant difference between the 57.5 percent response rate for the mail group, and the 58.0 percent response rate for the e-mail group.

It should be noted that although the response rates for their university faculty population were considerably higher than would be expected for a consumer survey, the similarity across survey modes stands as a solid finding. Perhaps most noteworthy is the finding that when

compared with the mail survey, the survey administered by e-mail produced 12.8 percent more respondents who completed 95 percent or more of the questions. Individual item response rates and item completion rates were also higher. For the e-mail based open-ended text responses, the same 12% increase in completion rates was observed, but in addition, responses were longer, averaging 40 words versus 10 words for the paper-and-pencil survey.

It is clear that the use of multiple contacts to secure cooperation, including reminders to complete the survey, increases response rates not only in traditional mail surveys but also in e-mail surveys. Exhibit 6.3 discusses response rate variations.

EXHIBIT 6.3 Response Rate Variations

The variation in response rates for surveys is enormous, especially when interest and incentives are considered. Ryan Smith, director of sales and marketing at SurveyZ.com, relates his experience with three client surveys that differed greatly in their respective response rates (Smith, 2002). These three very different surveys provide insight into the types of variables that influence response rate:

1. The first survey consisted of a short 10-question survey entitled "What Do Women Want . . . For Valentines Day?" This somewhat whimsical survey was sent using a single mailout (with no second communication) to a "random sample" of Internet users using the e-mail list broker Sendmoreinfo.com. Recipients of the survey were offered the chance to win $500 in a random drawing and in addition were promised a copy of the results. This combination of incentives with a short, interesting survey produced a 43 percent response rate.

2. A second e-mail survey, a very long academic survey of more than 100 questions, focused on developing a demographic, psychographic, and technological expertise profile of the online shopper. This survey measuring attitudes and behaviors was sent through the same broker to a random sample of "Internet shoppers." Respondents were promised the chance to win $500 in one of seven random drawings. The university sponsorship of the survey was identified in the cover letter that contained the professor's name, contact information, and link to the survey. The response rate was 11 percent. It is interesting to note that a parallel paper and pencil survey was also conducted for comparison purposes using a national sample provided by Experian, a provider of credit rating reports. This mail survey was implemented using separate mailings for a prior notification, the survey, and a follow-up reminder. The mail version produced a 20 percent response rate. Comparison of the mail and online survey results showed that demographic profiles were very different. Respondents to the mail sample were older, had different family structures and were more financially secure. However, the psychographic profiles related to online shopping were nearly identical.

3. Another academic survey of more than 100 questions that asked for evaluations of business school priorities was sent to a sample through the same e-mail list broker. Interest in this survey was recognizably low to most respondents in that there was little involvement or interest in the topic. Furthermore, the very lengthy cover letter detailed how important this information was to the school, but offered no incentives. In this case the online survey was a complete flop; the response rate was a dismal one-half of one percent.

Smith believes that keys to increasing response rate are to make your survey as short as possible by removing marginal questions, to make your survey interesting to the respondent, to include an offer of incentives, and to use group affiliations whenever possible.

State-of-the-art online survey technology includes survey tracking and address books that use embedded codes to facilitate the identification and tracking of survey respondents and nonrespondents. With this information, follow-up mailouts and reminders can be sent to nonrespondents, further increasing response rates. Additional technologies enable the compilation of statistics on the status of the survey, including the number of surveys e-mailed, the number received by potential respondents, the number of e-mails opened, the number of surveys viewed (link clicked on), and the number of surveys completed.

Online surveys are not only self-administered but are subject to the conditions of the respondents' computers, which may affect response rates and measurement error. Surveys are often affected by the resizing of windows and narrower windows may cause text to wrap onto multiple lines. Depending on the resolution of the screen and the length of the survey, respondents may be required to scroll in order to respond to the entire survey. While scrolling may appear more tedious for the user, there is a psychological impact to being able to see the entire survey and know how much time and effort will be required. Surveys that are broken into pages requiring multiple submissions leave the respondents continually clicking through segments of the survey, wondering when the survey task will be completed. SurveyZ.com, an online research company, has monitored the results of many surveys and has observed that opportunities of disruption are created when the respondent is required to repeatedly click Submit. These disruptions in survey flow provide opportunities for the respondent to quit the survey. The company has observed that noncompletion ratios are as much as 40 percent higher for long surveys requiring multiple use of the submission button (identical surveys were presented to two groups of respondents; one survey appeared in long format, while the other survey was broken into multiple pages that required repeated use of the submit button). Compounded with the effect of the multiple submissions is the fact that the respondent's ISP and the researcher's server are repeatedly contacted as data is submitted and the next portion of the survey is downloaded. When survey participants are using low-speed data lines and unstable equipment (either through the ISPs or the modem), they are sometimes disconnected from the Internet.

It is clear that multiple factors are responsible for nonresponse rates, many of which are not addressable through the administration and handling of the survey.

Measurement Error

Measurement error is a result of the measurement process itself and represents the difference between the information generated on the measurement scale and the true value of the information. Measurement error may be due to such factors as faulty wording of questions, poor preparation of graphical images, respondent misinterpretation of the question, or incorrect answers provided by the respondent. Measurement error is troublesome to the researcher because it can arise from many different sources and can take on many different forms. For telephone and personal interviews, measurement error will often occur when the interviewer misinterprets responses, makes errors recording responses, or makes incorrect inferences in reporting the data.

One fundamental advantage of Web-based surveys over traditional methods is that there are no interviewers involved in the process. Interviewer errors resulting from inadequate training, inability to pronounce many technical terms, or lack of understanding of the survey's purpose, terminology, or meaning reduce the effectiveness of interviewer-based surveys. Interviewers also make mistakes in transcription and interpretation of responses, and may even introduce tiredness, moodiness, prejudice, impatience, or their own opinions. Web surveys are multimedia-based and are being used to introduce audio and video, as well as static images. The introduction of logic checks can identify contradictory or nonsensical answers to reduce the need for editing and cleaning of the data. The order of questions and multiple-choice answers can be randomized to eliminate order bias.

Technical issues may, however, affect measurement error. For example, the size and type of the monitor, monitor resolution, color palette, browser, and operating system (Mac, Microsoft Windows, Linux) all change the appearance of the survey. Similarly, the actual survey's appearance is affected by spacing between questions, the appearance of horizontal lines separating questions or sections, the use of horizontal versus vertical scales, drop-down boxes versus checkboxes or radio buttons, and even font characteristics including size, typeface, the use of boldface and italics, and even spacing between scale items.

Concerning the relative amount of measurement error for various modes of data collection, while differences do exist, online surveys are similar to standard paper-and-pencil or telephone surveys. Measurement patterns for standard surveys more or less follow the same structured questionnaire approach and the change from paper and pencil to the familiar radio button or checkbox formats is of little concern. However, as will be discussed later, the difference between online and in-person qualitative research is far more extreme.

Many of the traditional measurement errors associated with transcription and recording of data are eliminated through electronic real-time entry of the data. With Web-based surveys, the survey as well as the analysis of results can be conducted in real-time and posted to a secure Web site. In one recent survey of programmers and software developers conducted by SurveyPro.com for Microsoft, 6,000 invitations were sent out with the promise of a $20 Amazon.com gift certificate. Nine hundred responses were received within 48 hours, and results were monitored online in real time. Studies completed in four days online may take eight to ten weeks using paper-and-pencil methodologies. Mail surveys must be prepared, printed, mailed, followed up with mail reminders, coded, manually entered or scanned into the database, analyzed and then compiled into a managerial report; Web surveys eliminate some of these steps, and often speed and combine the others. Exhibit 6.4 discusses the experiences of one Internet market research firm.

EXHIBIT 6.4 Harris-Black International

Krauss (1998) reported the experiences and views of Gordon Black, chairman and CEO of Harris-Black International, the Internet market research firm that conducts Harris Poll Online and the Harris/Excite Poll as well as customized studies. Black says, "While its up-front programming costs are more expensive, the cost for Internet data collection can be 90 percent cheaper over traditional telephone random sampling techniques" (p. 18).

Black believes that concern about the Internet population not being representative of the general population is becoming less of an issue. At election time in November, Black ran an 18-state study to verify the effectiveness and projectability of Web-based research techniques versus random telephone techniques. He says in only a few categories, such as financial services and technology products, might the nature of Web-user demographics skew the projectability of results to the broader marketplace.

Today electronic commerce providers routinely poll and research their customers and act on the data. Qualtrics.com provides corporate survey Web sites to companies like Royal Caribbean, Celebrity Cruises, Sabre, Travelocity, and Intel—all of which routinely conduct customer surveys. Dell Computer has an "online user survey" button on its home page. Excite has a "feedback" button to learn users' views. AOL conducts polls.

But the greater opportunity isn't in applying more sophisticated techniques over the Web. Black points out that a typical advertising test, concept assessment, conjoint study, volume forecast, or pricing evaluation done by a packaged goods provider might be scoped to reach 500 or 1,000 respondents with the telephone. On the Web, a research company can economically reach 2,000, 5,000, or even 10,000 respondents.

Telephone surveys make it cumbersome or even impossible to present concisely the alternatives in a conjoint study or pricing test. The Web allows the controlled and rapid display of survey questions that otherwise would have to be read over the phone. That means less respondent fatigue, fewer terminations, and better research outcomes.

Black adds that on a recent study he received 2,000 responses in two to three days where typical telephone techniques would deliver 200 responses in two weeks. The benefits in terms of speed to market for new product developers who repeatedly enhance and refine a prospective product feature would be enormous.

Black sees great opportunity ahead. He predicts (Krauss, 1998, p. 18), "In the next three to five years virtually all advertising copy research will migrate to the Internet. Mail-panel surveys will disappear—the cost of the mail panel is so much greater than the cost of the Internet panel there's no comparison. Half of all customer satisfaction studies will be done over the Internet. Most of product research will be done over the Internet."

PROBABILITY AND NONPROBABILITY SURVEY APPROACHES

A variety of approaches to presentation of surveys and recruitment of respondents are used on the Web. Surveys based on probability samples, if done properly, provide a bias-free method of selecting sample units and permit the measurement of sampling error. Nonprobability samples offer neither of these features. Nonprobability-sample–based surveys, generally for entertainment or to create interest in a Web site, are self-selected by the respondent from survey Web sites either for interest or compensation, or are provided to members of volunteer panels such as in the example of panels for Internet market testing performed by ACNielsen described in Exhibit 6.5.

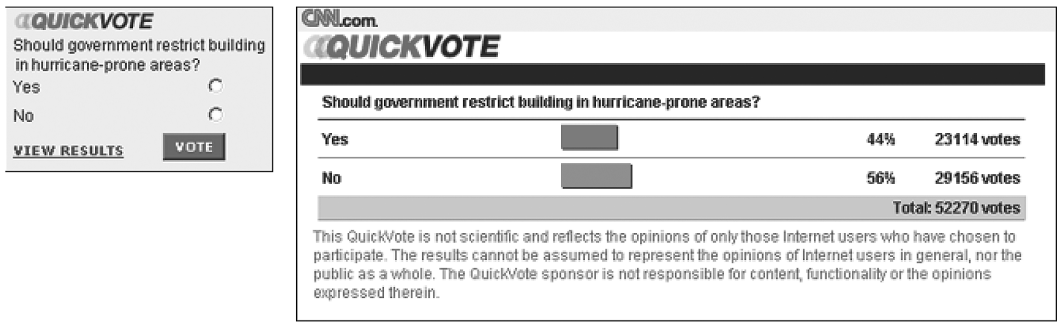


Figure 6.1 Web Site Interest Survey

Online Nonprobability Surveys

As an example of the Web site interest variety of survey, Figure 6.1 shows a CNN.com "Quick Vote" survey, which includes a link to the online results page.

Several Web sites have been popularized through their Web surveys. The National Geographic Society Web site offered surveys that focus on a variety of educational, social and environmental issues at www.nationalgeographic.com/geosurvey/. The surveys include lengthy inventories covering demographics, Internet usage, and attitudes about such topics as geographic literacy, conservation and endangered species, culture, and a variety of other topics (see Figure 6.2). The 2002 Global Geographic Literacy Survey was conducted jointly with Roper Research to assess the geographic knowledge of young adults ages 18 to 24 in nine countries including the United States. An additional sample focused on 25- to 34-year-olds in the United States. Specific questions focused on benchmarking attitudes towards the importance of geography and how aware young adults are of geography in the context of current events.

Respondents were recruited to the survey through a snowball sampling technique implemented through invitations that appeared on the National Geographic Web site, in the National Geographic print magazine, and invitations from other Web sites such as HotWired. The 2000 survey showed 80,012 respondents participating from 178 different countries.

In this example, the use of a sample representative of the U.S. population as a whole cannot be verified because of the nonprobability snowball sampling technique that was employed. Although the large number of respondents may provide data representative of Internet users, the sample certainly is not a random probability sample of the entire population of the United States, from which sampling error could be measured. An excellent review of the methodological merits and sampling issues of this online study has been prepared by Witte, Amoroso, and Howard (1999), and is available online.

Other well-recognized nonprobability surveys include the ACNielsen BASES (see Exhibit 6.5) and Harris-Black panels. Although nonprobability surveys, these panels are continually redefined to match the demographic characteristics of telephone and mall intercept surveys. The parallel telephone and mall intercept studies provide weighting to proportionately adjust online samples to reduce selection bias.

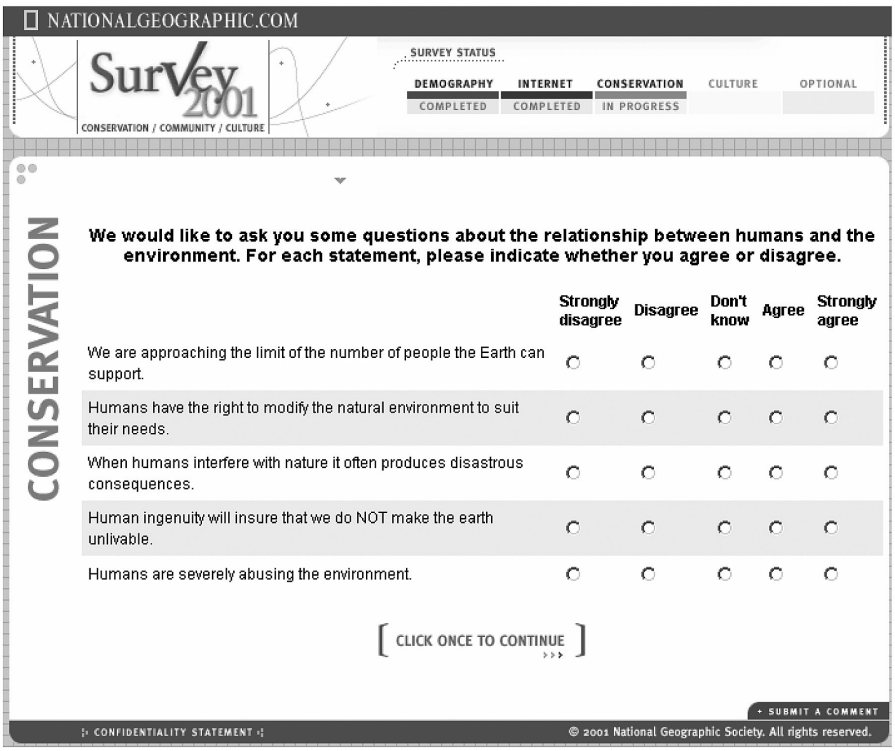


Figure 6.2 National Geographic Web Survey

SOURCE: From Nationalgeographic.com. Copyright © 2001 The National Geographic Society. Used by permission.

EXHIBIT 6.5 ACNielsen BASES

Jim Miller and Sheila Lundy of ACNielsen BASES (2003) describe the evolution of Internet usage for test marketing in the following document, which is available online.

TEST MARKETING PLUGS INTO THE INTERNET

With the advent of the Internet, simulated test marketing has kicked things up another notch—replacing mall intercept and phone feedback with an online respondent community.

Test marketing affords companies the opportunity to prove-up concepts and tweak packaging and advertising presentations while tightening sales and profit forecasts. In addition to acquiring valuable customer feedback, test markets present the chance to observe potential impacts on the entire product line, such as cannibalization, and can be used to assess the reaction of the sales force, retailers, and distributors to the new product.

Taking Their Measure

Within the world of test marketing, an entire portfolio of techniques is available to marketers:

- **Standard test markets.** Actual launches in smaller markets including sell-in to the trade and complete marketing support.

  Rating: best possible read of the market at the highest possible cost with the longest execution time. Open to competitive attack.

- **Controlled test markets.** Comprises a panel of stores with good geographic dispersion that carry new products controlling for facings, displays, POP promotions and pricing. Conducted by companies such as Market Decisions.

  Rating: provides accurate barometer of trade reception. Great for evaluating environmental issues like unusual shelving requirements. Affordable. Minimizes exposure if product fails. Requires sell-in.

- **Simulated test markets.** Consumers use seed money to buy new items in a laboratory store and researchers follow up. Consumers recruited at malls react to product and promotional concepts, then provide feedback via traditional survey methods. Electronic panelists sample products at home, review concepts and promotions online, then provide feedback via traditional survey methods.

  Rating: Lowest execution costs. Fastest feedback. No finished packaging or advertising requirements. Minimal security issues. High degree of accuracy.

Share Versus Sales

There are many classic debates in marketing, and the comparative strength of share vs. unit-based forecasting is one of them. This debate was especially prevalent during the early days of simulated test markets. Share is a powerful metric, but ultimately must be translated into volume estimates for production and pro forma financial statement purposes. One area of vulnerability for share data relates to truly new products or categories.

Take the case of a new product that spans two categories, such as the first combination shampoo/conditioner. Which category multiplier should be applied to convert share into an accurate volumetric prediction? Good question, and in the case of radically new products, there is no definitive answer.

Volumetrics Speak Volumes

This unit vs. share dilemma was one of the reasons that led to the development of the BASES simulated test approach in the late 1970s. BASES yields a two year volume number rather than a market share estimate. Tapping into the average American mindset, BASES recruits respondents at shopping malls, then shows them concept boards and preliminary packaging ideas to gather feedback early in the new product development process.

Underlying it all is a simple premise: ask consumers what they plan to do and they'll tell you. Although people never do exactly what they say, they always do something related to their claim. In a matched comparison of more than 800 cases, BASES volume estimates fell within +/– 20 percent of actual in-market results nine out of ten times.

Worldwide, the BASES model has been applied successfully to more than 28,000 new product concepts from food and beverage to household items, personal care, over-the-counter drugs, pet products and other consumer packaged goods ideas. Today, BASES holds a 60 percent global share of all simulated test marketing for consumer packaged goods.

Seismic Changes

Two concurrent circumstances converged to permanently alter the BASES approach to simulated test marketing. First, mall traffic, the source of consumer input to the BASES models, plummeted from an average of 30 completed questionnaires per location per day in the 1970s to a mere five a day by the 1990s.

Eighty percent of shoppers diligently avoided recruitment and fully one-third of those who did qualify refused to participate, boosting administrative costs and causing timing delays. When queried, it turned out that time-stressed consumers wanted to participate in research, but on their own terms and in their own time.

Second, the Internet gained a foothold in American households, thanks to the proliferation of personal computers and low-cost Internet service providers. Putting the two trends together, BASES explored the idea of operating an electronic panel (e-Panel) that recruited respondents from the virtual society.

Proof of Concept

BASES spent more than $1 million developing and testing the e-Panel concept to ensure forecasting accuracy and equivalency with the mall-based historical archives. There were many questions to resolve: Could a demographically matched panel be assembled? Would cooperation rates differ? Would mall and e-Panelist responses be similar?

As Chart 1 illustrates, the initial investigation showed that wired panelists were virtually indistinguishable from the mall recruits. The panelist profile is practically identical on important criteria such as household size, average age, employment, race, gender, and education levels.

Chart 1
Panel Consumption

	Mall Tests	Internet Tests	Panel Members
Household Size	2.8	2.9	3.0
Average Age	40.5	39.2	37.2
Employed	71%	72%	69%
Caucasian	86%	88%	89%
Male	20%	21%	15%
College Educated	40%	43%	46%

Chart 2
Correlation Coefficients

	Mall/ Internet	Test/ Retest
Purchase Intent	.86	.94
Frequency	.94	.97
Liking	.85	.91
Price/Value	.90	.99
Uniqueness	.91	.99

To validate e-Panel, BASES conducted more than 100 parallel tests over three years, representing a broad spectrum of categories. Clients were so intrigued by the potential of the Internet as a simulated test marketing tool, they volunteered concepts for methodology prove-up tests and anted up dollars to support validation checks. A critical finding emerged from the verification effort: as suspected, the key survey measures for the e-Panel and mall tests were highly correlated and the system showed very strong test/retest reliability (*see Chart 2*).

The Online Community

After screening for issues like employment sensitivities and demographic markers, eligible respondents complete a test questionnaire prior to going live with a study. This allows BASES to sync up results and match with the current panel.

To keep respondents engaged, and build a sense of community, BASES personalized the panel, gave it a name (PineCone Research) and a facilitator who serves as its voice (Karen Scott), and posted interesting editorial content on a dedicated Web site (The Treehouse). The typical panelist gets tapped for a survey once every three to four weeks.

Who Are These People?

As with most longitudinal panels, the diversity of respondent information on the BASES e-Panel is impressive. It includes media usage, shopping habits, pets and appliances. It covers chronic ailments such as allergies and acid indigestion. It tracks promotion, media and shopping habits including coupon use and preferred retail channels.

Every e-Panelist is also Spectra-coded, enabling clients to incorporate lifestage and lifestyle information into their analyses for a holistic view of the marketplace when making tactical decisions about couponing, media, and distribution.

How It Works

Each e-Panel study begins with outbound letters to selected participants containing a log-in password, in parallel with e-mail reminders. Panelists respond to a survey online for a $5 incentive that is mailed prior to the interview. Product samples are delivered directly to the home. While a bevy of incentive opportunities were investigated, a cash incentive won hands down by an overwhelming 65% margin.

The Net Take

Now fully operational, e-Panel has been rated a resounding success by clients for its robust capabilities, equivalent forecasting accuracy, richer open-ended questions and brand claim capability. On average, e-Panel yields savings of 20% per study, lower ancillary costs for concept boards and product shipment, and an accelerated execution time that cuts one full week off the mall production schedule.

An unexpected benefit of the e-Panel was the unfettered honesty of answers. Respondents proved less restrained in expressing dislikes via the impartial computer as opposed to discussing dislikes with an interviewer.

BASES intends to pace technology advancements and continuously enhance its e-Panel offering. Plans are already in the works to introduce video testing in the first quarter of 2002 and to grow the panel to 90,000 participants. As personal digital assistants, RIM devices like Blackberry, and cell phones go mainstream, wireless networks may represent the next simulation frontier.

Online Probability Surveys

Probability-based surveys allow the researcher to estimate the effects of sampling error and thereby provide inferences about the target population through hypothesis testing. Coverage errors, nonresponse errors, and measurement errors still apply and may reduce the generalizability of the data. Online probability samples generally result where e-mail surveys are sent to comprehensive lists that represent the target population. When the target population is large, random samples from the list will be used. For smaller populations such as employees of a company, the survey may be sent to the entire population, thus representing a census.

Where the target population of interest is visitors to a given Web site, pop-up surveys may be presented randomly to visitors when they first enter the site. In this case, the target population is well defined and the sample element has a known nonzero probability. A cookie, a small file used to help identify the respondent, is often placed on the respondent's machine so that ballot box stuffing will not occur.

Prerecruited online panels, when recruited using probability-based sampling methods such as random-digit telephone dialing, also produce probability surveys. In this case, random-digit dialing would be used to contact the prospective panel members who would be qualified as Internet worthy before being recruited for the panel. The initial interview may also include a variety of demographic, lifestyle, and computer usage questions that would help in weighting the panel, thereby reducing selection bias.

Mixed-mode designs provide another alternative for the respondent, presenting them with a choice of responding via online survey or via another mode. Respondents contacted by telephone, mail, or other probability-based sampling mechanism are given the opportunity to respond online. It is not uncommon for businesses or individuals to prefer the online survey format. Wisconsin cheese producers respond annually to an industry group survey that reports production by the type of cheese. This more-than-90-page survey details the desired information for a separate type of cheese product on each page. When asked if they would prefer a paper-and-pencil or online survey, more than 50 percent favored the online mode. While the online methodology may be preferred, access to the survey must be provided to all cheese producers, even those without Internet access. A mixed-mode survey design is the obvious choice.

It is clear that when online samples are used to make inferences about the general population, we must recognize the multiple factors that distinguish online samples from the general population. These factors include nonsampling errors unique to the Internet methodology: for example, fewer households have adopted the Internet than have telephone or mail and researchers lack control of the respondent's computer setup (browser, operating system, fonts, resolution). In addition, refusals, partial completions, measurement, and all other nonsampling factors that bias traditional survey measurement and results still exist in online surveys. (Sources of nonsampling error were discussed in Chapter 3.)

Online survey techniques are also subject to many of the other errors that affect telephone and mail surveys. Marketing researchers, both professional and casual, often neglect to consider the implications that nonprobability sampling and surveys have on the ability to make inferences regarding the target population. While this brief review has done little more than identify the topic areas to be considered, much research on the topic has been completed for both traditional and online surveys. The next section, which focuses on the forms and

capabilities of Internet survey software, will build upon this discussion of general survey and sampling methodology.

INTERNET SURVEY SOFTWARE

A variety of approaches to conducting Web and e-mail surveys are available. In general terms, online surveys may be built, distributed, collected, compiled, and analyzed using one of three general forms of online survey technology. These technologies differ in their level of sophistication, the amount of internal information technology (IT) support required, and certainly in cost.

Option 1: E-Mail Submission Form

An e-mail submission form requires the researcher to build an HTML or rich-text survey, distribute it actively to each respondent, and receive the responses as part of e-mail messages directed back to the researcher. Depending on the sophistication of the software package, the responses will either be automatically read from the e-mail and posted to the database, or the researcher may manually cut and paste from each received e-mail into the data file. If the researcher is willing to manually cut and paste information, this no-cost alternative only requires the addition of a few lines of HTML for a submit button that sends the response back to the researcher.

Option 2: Self-Hosted Server Software

A variety of survey-building software is available that requires hosting on the researcher's server. These systems require little more than a PC with the appropriate (generally Microsoft or Linux) operating system. The researcher is able to build the survey and then post it to the server for distribution by e-mail or Web hosting. This technology makes the researcher responsible for purchasing the software and installing it, and then providing IT support for the system. Depending on the software, and the sophistication of the surveys being designed, IT support may play a major role in the survey process and represent a significant cost.

Option 3: Online Application Service Provider (ASP)

The ASP model most often requires what is called thin client technology, meaning that nothing more than a browser is required. ASPs such as SurveyZ.com and Qualtrics.com are accessed through the Internet, where surveys are built online, requiring no user software, no user server, and no user-provided IT support. When the researcher builds a survey, the database is automatically wired, and report generation is automatically enabled. The researcher simply sends out the survey itself, or an invitation with a link to the survey, by e-mail. The respondents complete and submit the survey using a browser, and the ASP automatically receives the results, directs them to the survey database, and provides real-time access to the results. One major advantage of the ASP model is that the researcher always has access to the most current version of the software. A variety of pricing and service plans are available for these services, ranging from a monthly fee to a fee per completed response.

ONLINE SURVEY CAPABILITIES AND TECHNOLOGIES

The power and speed of today's multi-gigahertz servers make it possible to construct a very sophisticated survey that features a broad variety of questions and capabilities. Indeed, online survey systems are even capable, through the use of "software agents," of analyzing responses and developing and presenting dynamic new questions to the respondents as they continue through the survey. Exhibit 6.6 presents a list of questions, capabilities and features that should be considered when evaluating online survey software. While this list does appear somewhat overwhelming, for the professional researcher it represents state-of-the-art development and meets the requirements for most survey applications. Moreover, it provides the capability for advanced analysis and the needed information to evaluate probability samples and estimate the effects of nonresponse.

EXHIBIT 6.6 Survey-Building Software Considerations

SURVEYZ

Professional Survey Software

Survey Delivery Options

- Corporate Enterprise Solutions (qualtrics.com)
- Hosted Solutions (companyname.surveyz.com)
- Hosted Surveys through the Web site (www.surveyz.com)
- E-mail invitation surveys with link
- E-mail invitation surveys with viewable HTML survey
- Portable technology for mobile surveys (mall intercept, business applications)
- Web site entry and exit with quota based Pop-up survey capabilities
- Address book invitations for respondent tracking
- 360 degree respondent tracking (passing of customer number with the survey link). This feature enables tracking of the customer ID from the customer database to the survey, with feedback sent back to the customer database for a reminder mailing.

General Survey Creation Capabilities

Standard Question Types

- Multiple choice single item check
- Multiple choice check all that apply
- Short text answer
- Open-end text answer
- Horizontal rating scales
- Vertical rating scales
- Drop-down list

Advanced Question Types

- Constant sum
- Rank order with validation
- Pick *k* of *n* with validation
- Multiple choice matrix
- Multiple open-end numeric text
- Dynamic questions based on answers to previous questions

- Wizard-based survey creation for easy control of all question and answer options
- Insert graphics, audio, and video, including company logos
- Response checking and validation
- Multiple choice with "Other (customizable text message): Specify open ended text"
- Sophisticated multi-level branching capabilities and survey paging
- Randomization of answer choice order
- Randomization of question order
- Text piping: answer to question, answer to answer, question to question, question to answer
- Sample quota checking with termination and branching
- Personal user question and survey libraries
- Multiple-language support (including Chinese, Japanese, Russian)
- No survey posting or IT support required. Your survey is online in real-time while you build.

Survey and Question Editing

- Single click survey copying (duplicate entire survey)
- View, copy and edit from our large online survey library
- Wizard-based question insertion, movement, deletion and copying
- Text search and replace
- Instant survey "preview" (actually test your survey and collect your data)

Survey Appearance and Formatting

- HTML viewable surveys as part of e-mail or Web site survey
- Customizable survey header and footer support for each survey page
- Customizable buttons for submit, continue, and URL redirection
- Complete branding of your survey: insert JPG and GIF files, including your company's logo
- Single click change of background color, question separators
- Font selection and answer category width control
- Customizable "Thank You" page with definable redirection link

Respondent Control and Redirection

- Optional answer validation and question flagging for required questions
- Answer change prevention from previous pages
- Stop/Start feature that allows respondents to "Continue where you left off" feature
- Anti-"Ballot box" stuffing
- Password protection and access control for survey (password or user ID *and* Password)
- Secure data transmission
- Survey activation/deactivation to terminate data collection
- Survey transfer to multiple respondents (stop start with password protection that can be passed to multiple respondents (for example, CEO, CFO, COO each complete separate sections of the same survey)

Analysis and Results

- Completion rate and survey abandonment analysis
- Real-time Web accessibility of analysis tools, report generators and graphics
- Public Access to Results (No Access, Password Protected Access, or World Access options)
- Display and coding of verbatim comments
- Selective removal of respondent from answer set
- Desktop delivery of charts and respondent-level data
- Excel, SPSS, and CSV deliverable data sets (real-time data downloads)
- Automatic delivery of SPSS command file (variable list, variable labels, value labels)
- Full Statistical Analysis and Hypothesis testing with "Select If" filter support Summary Statistics (Mean, Variance, Std. Dev., Median, Range, Min, Max, Q1, n, Q3) Frequency table, Cross-Tabulation (Contingency Table Analysis) One Sample, Two Sample Z statistics, Paired T statistics, Proportions Simple, Multiple Linear Regression, One-way ANOVA, One Sample, Two Sample Inference on variance
- Full Graphical Analysis: Bar Plot, Pie Chart, Histogram, Stem and Leaf Plot, Boxplot, Dotplot, Means Plot, Parallel Coordinates Plot, Scatter Plot, QQ Plot, Index Plot, Pairs Plot, Control Charts (X-bar, R, X-bar - R, np, p, c, u)
- Conjoint and other advanced analysis

Custom Panel, CRM, and Data Integration

- Seamless e-mail integration with company databases
- Transparent support for respondent ID sharing and tracking inbound to survey
- Transparent support for respondent ID tracking and transfer to secondary survey or database
- Customer ID import and export for respondent tracking and for follow-up survey mailout
- Administrator assigned (optional) User ID and Passwords for survey access

Online Address Book for address import, mailout and tracking of respondents

SOURCE: www.surveyz.com

ONLINE QUALITATIVE RESEARCH

Web-based qualitative research is bringing marketers closer to the customer. Many Web sites are now introducing survey technology to measure customer satisfaction, motivations, and preferences; to track activities and time spent on the Web site; and to interact more effectively with the customer to meet their needs and wants.

Research companies are increasingly looking to the Internet as an online tool to facilitate qualitative research and discussions with customers. Online bulletin boards and focus groups provide approaches for interviewing respondents in a discussion format and are being adopted more frequently by researchers because it is easier to recruit hard-to-reach individuals like physicians, executives, singles, people with high incomes, the well-educated, and even teens.

In this section, we consider the use of online bulletin boards and focus groups as alternatives to traditional methodologies where participants are assembled in a central location to discuss their views and experiences relevant to the topic of interest.

Bulletin Boards

Bulletin board technology has been available for a number of years, but has been modified in format for more effective use in conducting marketing research. The bulletin boards found on many Web sites allow users to register and then participate in unmoderated discussions of topics of interest to participants of the bulletin board. When bulletin boards are used for marketing research, moderators become involved to direct discussions and to obtain targeted feedback from participants. When properly controlled, the procedure includes recruiting individuals to participate in the bulletin board discussion and then providing them with password information so that they can enter a password-protected Web page. Participants are scheduled for a specific time of day so that they may participate with other individuals recruited for the discussion. Individuals log on, read the information pertaining to the discussion, and respond either to listed questions or to those posed by the moderator. Where a list of questions is prepared, the participants are often free to respond at their convenience.

Bulletin boards may be thought of as appearing midway on a continuum that extends between in-depth personal interviews and group-based focus groups. Discussions can be facilitated by involving all participants and allowing them to interact among themselves, with the moderator posing questions and asking for follow-up responses. Alternatively, most bulletin board software provides the option to conduct interviews where the respondent's replies are masked or hidden from the other participants. Bulletin boards provide for in-depth responses where respondents answer specific questions after reflection on their own experiences. These responses may be the basis for the dynamic synergism that results from interaction with an online group, or the researcher may choose to structure the discussion so that individual responses are not shared with the group.

The major advantages of online bulletin boards lie in the flexibility they offer participants and researchers:

1. Participants can be recruited from a broad geographic area.
2. Participants are able to provide feedback at their own convenience.
3. Participants are able to spend the time that they require to provide thoughtful comments and perspectives.
4. Participants are allowed to start and stop their participation so that they can carry out other activities, including those requested by the bulletin board moderator, such as trying or experimenting with suggested products.

Other advantages are shown in Exhibit 6.7.

EXHIBIT 6.7 Bulletin Board Report

Susan Semack, vice president for Farmington Hills, Michigan–based MORPACE International, Inc., reports that bulletin boards have distinct advantages over real-time and face-to-face groups (James, 2002). One advantage is more detailed responses. Bulletin board participants, with equal chance to voice their opinions and no pressure to talk or type fast, may write responses that run several paragraphs, compared to one or two lines in real-time chat. Bulletin board participants are also more likely to comment on prior postings than in real-time. Researchers report that a single five-day bulletin board group often produces 120 pages of transcripts, or as much information as four focus groups.

Bulletin boards work well when researching topics that are sensitive or controversial, when respondents are anonymous and have time to formulate their responses. Ricardo Lopez, president of Hispanic Research, Inc., conducted a four-day bulletin board group with Hispanic cancer survivors. This methodology was chosen because cancer and death are taboo topics among Hispanics, and participants who have survived such an emotional experience are often unable to provide little more than emotional responses when discussions occur in a traditional face-to-face focus group situation. Lopez reports that because board responses were anonymous and respondents had time to formulate their thoughts, answers were more direct to the questions posed (James, 2002).

When recruiting participants, the researcher should select those with a strong interest in the topic. This is consistent with the practice of inviting knowledgeable and involved individuals to traditional focus groups. The moderators must be actively involved in controlling the pace and flow of the discussion. It is the duty of the moderator to make discussions relevant to the participants and to continually involve them in the discussion. Participants of bulletin boards and online focus groups often spend much more time than the 90 minutes typically required by traditional focus groups. Online, participants are actively involved in sharing their ideas and feelings, but in a setting that allows the moderator to control and drop participants who are either not contributing or contributing adversely to the discussion.

Focus Groups

Focus groups provide qualitative insights into products and concepts through discussions and through interaction that clarifies ambiguity and establishes a dialogue between the participants and the topics to be discussed.

Each focus group has a very distinctive interactive climate since each individual participating in the group brings a personality, a communication style, and a level of involvement that provides direction and intensity to the group. It is the responsibility of the moderator to draw out individuals who are reluctant to participate, who are shy, or who have little desire to participate. This is not always an easy task when focus groups are conducted online. In-person focus groups have the advantage of being able to incorporate taste, smell, sight, sound, and touch into the setting.

However, online focus groups offer several advantages:

- Flexibility of scheduling and format
- Convenience of office or home access
- Geographic dispersal of participants for a more representative or more targeted group of participants
- Availability of technologies such as streaming video for presenting points of discussion and concepts to participants
- Remote and on-demand access for the client from anyplace in the world

Focus groups and their customer interactions can be broadcast so that clients and researchers do not have to physically attend focus group activities. Streaming media provides the flexibility to watch events, jump through specific discussions, and extract segments for use in e-mail attachments or in advertisements and testimonials. Clients may use focus group data to reinforce points of discussion, in decision making, and in marketing.

When moderating online focus groups, moderators do not have the advantage of reading an individual's body language. In online research it is more difficult to pick up on nonverbal components of a respondent's answers. For example, do respondents hesitate? Do they type confused answers? Do they have trouble providing answers? Online moderators must consider comment length, frequency, and relevance, as well as frequency and appropriateness of emoticon use, and whether they dominate, draw in, or alienate other participants.

How is an online focus group constructed and how does one operate? Casey Sweet, principal of Quesst Qualitative Research of Brooklyn, New York, provides an "anatomy" lesson on conducting online focus groups (Sweet, 1998), as shown in Exhibit 6.8.

EXHIBIT 6.8 Anatomy of an Online Focus Group

Online focus groups, also referred to as cyber groups, e-groups, or virtual groups, are gaining popularity as the research marketplace discovers the advantages they offer. In addition to saving time and money, they can easily bring together respondents and observers in far-flung locations in a dimension of qualitative research, aided by customized software, that creates virtual facilities with waiting rooms, client backrooms, and focus group rooms.

Screeners, Recruitment, and Virtual Facilities

Every online group is initiated by contracting with a virtual facility that usually offers recruitment services as well as virtual rooms. Virtual facilities typically recruit respondents electronically from established panels, compiled online lists, targeted Web sites, or client-provided lists. Sometimes, telephone recruiting is used to make the initial recruitment contact or to obtain e-mail addresses.

Recruiting online groups requires specially crafted screening questionnaires that are similar in content and depth to those used for in-person groups. Since these screeners are administered electronically, some questions are worded differently to disguise qualifying and disqualifying answers. A professional online facility, in combination with a well-written screener, will thank and release all disqualified respondents without them knowing why. This, as well as putting a

block on their electronic address, discourages them from re-trying to qualify by logging back in or from sharing information about the specific screener questions with friends. Depending upon the target markets, it is not unusual with high-incidence groups to have an excess of qualified respondents to choose from; either the virtual facility or the qualitative researcher will select the best. (A project recently conducted by one company received over 1,000 qualified responses for the required 24 respondent spots.)

Invitations and Preparation

Respondents who are invited to the group receive invitations with passwords and usernames, instructions, dates, and times. The invitation requests that they log on to the site in advance of the group, using the computer they will use during the group, to guarantee technology compatibility. If there are any complications or questions, the respondents can contact tech support in advance to resolve them. They can also contact tech support during the group for online support, as can the moderator and client observers.

The content and structure of the inquiry resembles in-person groups. The major difference is in the actual presentation of questions, which are mostly written in full sentence form, in advance. The main topic questions must be written clearly and completely; otherwise respondents will have to ask for clarification, which uses up valuable time and diverts the attention of the group.

Online groups often meet for a shorter time (typically 60 to 90 minutes) than in-person groups and the ideal number (30 to 45) of prepared questions depends on the complexity of the subject and the extent of follow-up probes required. Whenever desired, follow-up questions and probing can be interjected to either an individual respondent or the entire group. This enriches the inquiry and uncovers deeper insights. Unfortunately, sometimes research sponsors can insist on an excessive amount of prepared questions that minimize the amount of probing time. The result is a missed opportunity to uncover deeper insights.

Preparation for Groups

Fifteen to 30 minutes prior to the group, the moderator and technical assistant log on to watch as respondents enter the virtual waiting room using their usernames and passcodes. Similar to in-person groups, some respondents arrive very early and others arrive at the last minute. As they arrive, some virtual facilities can administer a re-screener to re-profile them and to assure that the attendee is the person who originally qualified. In addition to a few demographic and product usage questions, the re-screener can include a verification question that refers to a piece of unique, personal information, such as the name of their first teacher or pet, that was subtly asked in the original screener.

Show Rates and Selecting Final Respondents

Show rates can vary dramatically based on a number of factors, including: the origination of the respondent (online database, established panel, Web site intercept, etc.), confirmation procedures, respondent comfort and familiarity with the online venue in general, and the typical kinds of personal and business commitments that can inhibit attendance. For eight respondents to show, 10 or 15 may have to be recruited. However, it should be noted that the weather, traffic, and transportation have less of a negative impact on show rates for online focus groups than

for in-person groups since the respondents may participate from their home or office, and even if they travel, respondents are typically participating from a variety of locations and not encountering the same delays. Based on the re-screener information and final screener spreadsheet, the moderator and client select the respondents together, similar again to in-person groups.

Moderating

For a moderator, the excitement and pace of moderating an online group can be likened more to a roller-coaster ride than an in-person group. Ideally, the discussion guide is downloaded directly onto the site so the moderator can, with one click, enter a question into the dialogue stream.

To begin a group, the moderator introduces the purpose of the group and lays the ground rules. This includes a personal introduction, timeline, instructions for entering responses, encouragement to be candid and honest, and instructions for signing back on if they accidentally drop off. Respondents are also encouraged to "feel free to agree, disagree, or ask questions of each other that relate to the subjects being discussed" and are told that this interaction will help bring the discussion to life. Online groups demand that a moderator possess strong and fast keyboard skills or be willing to hire an assistant who does. There are no unused moments during a group to accommodate slow typists on the moderator side. Respondents can type slower, but most are keyboard-proficient and save time by cutting corners on spelling and not worrying about sentence construction. It helps to tell them at the beginning that typos and sentences don't matter.

Moderating online groups requires someone who relates to the online venue and recognizes that respondents are adept at developing relationships in this medium. Many respondents participate in chat rooms and feel comfortable relating online. At the same time, it is the responsibility of the moderator to help make the respondents who are not as comfortable or experienced feel valuable.

The strategy of online moderating resembles in-person moderating. That is, the moderator follows the discussion guide to the extent that it continues obtaining the desired information. If a subject that was supposed to be covered later in the group is brought up earlier by the respondents, those questions can be inserted as the moderator sees fit. In addition, if topics not covered in the guide are introduced, the moderator can choose to interject a new line of questioning.

If all is going well, most of the moderating elements will be transparent to the research sponsor and observers. Similar to in-person groups where notes are passed to the moderator, a single client-designated liaison decides what is important to pursue and approves questions given to the moderator.

Transcripts, Analysis, and Reporting

Soon after the completion of the groups, transcripts are available for analysis and reporting. These transcripts may document all interactions from logon to logoff, or they may be slightly edited (by the facility or moderator) to begin with the first question and end with the last question, eliminating the hellos and good-byes. Inappropriate respondent comments can also be easily removed.

Analysis and reporting are similar to in-person groups, with the exception that transcripts are quickly available for every group. The analysis will be very inclusive and reflect the input of most respondents since most of them answer every question. In the absence of visual and verbal cues, analysis of some areas, such as appeal, will be based on an interpretation of respondent statements and the ratings they use to indicate levels of appeal.

Reports are just about the same as other qualitative reports, covering areas such as objectives, methodology, conclusions, and detailed findings. They can be in topline, executive summary, or full-report form. Typically, reports can be turned around more quickly due to the immediate availability of the transcripts.

A Qualitative Caveat

Results from online groups depend on the expertise and qualifications of the professional who is conducting them. The most knowledgeable and qualified professionals to conduct online groups are qualitative researchers who have research and marketing expertise and experience managing group interactions. "Techies" sometimes attempt to do groups because they are comfortable with the technology and mechanics and some even have experience with chat groups. However, they often lack research, analysis, moderating, and marketing expertise and the results can suffer from these deficiencies.

SOURCE: Sweet, 1998.

It is easy to understand that critics of online focus groups might have reservations about holding online rather than face-to-face focus groups. Creativity is the critical element in a successful focus group. To the degree that online participants are able to be realistic and balanced in their views and at the same time visionary in applications and insightful in motivations, the focus group promises to be a success.

The typical screener study for focus groups, including those online, includes questions aimed at identifying expressive and visionary individuals. The following are examples of screener questions with which the respondent is asked to agree or disagree:

1. I like to use my imagination.
2. I always need to know all the facts before I'll consider something.
3. I enjoy puzzles and word games and I like to figure out how to do things.
4. I really don't like new ways of doing things; I think the tried-and-true works best.
5. I am comfortable expressing my thoughts and feelings to others even if we just met.
6. I'm shy and quiet in the company of people I don't know and I tend to let them do most of the talking.

In this example, items 1, 3, and 5 are key indicators of success and would generally mean that prospective participants would be qualified. Agreement with items 2, 4, and 6 will generally disqualify prospective participants.

The final result of the focus group research is not merely the set of transcripts, but an analysis that identifies the themes and insights that have been uncovered. It is a contextual analysis of the transcripts, including language choice, that provides the tone and emotional content of the message. Careful analysis of words in context produces interpretations far more meaningful than simple emotions. One interesting focus group study found that passengers of cruise lines focused on the core ideas of escape and fantasy, wanting to take a vacation that was out of the ordinary. They expressed a desire to escape from the ordinary

and try something different, but to accompany that escape with good food and service. Certainly romance is part of this image. Are online focus group participants able to verbalize concepts such as these? Certainly, and they can verbalize them very effectively.

The technology for online focus groups continues to evolve. Their suitability continues to broaden as more and more people become Internet savvy. Hard-to-reach professionals, teens, seniors, and specialty markets such as those who are homebound or otherwise unable to participate in centrally located focus groups all can be enthusiastic participants in online focus groups. Growth in online focus groups, as with all online research methodologies, will mirror growth in Internet adoption rates, e-commerce, and development of graphical interfaces. These qualitative research methods can provide a more holistic and understanding profile of the consumer information than can be obtained through quantitative research.

SUMMARY

Every marketing manager knows that the objective of effective marketing is to create a one-on-one relationship in which offerings are targeted directly to the individual consumers. Ideally, we would never receive online promotional material or sales contacts from companies selling products that do not interest us. The objective of marketing research is to understand the consumer and apply information and knowledge for mutual benefit. Technological advances in online marketing research provide the ability to monitor customer knowledge, perceptions, and decisions to dynamically generate solutions tailored to customer needs. In this chapter we have stressed the advantages as well as the caveats associated with online research. A review of the topic is also provided in Couper (2000). Perhaps the biggest mistake the market researcher could make would be to view online research as simply a time- and cost-saving extension of traditional modes of data collection. New technologies will continue to be developed, tested for applicability in marketing research settings, and refined so that marketers are able to better identify the needs and wants of today's consumers.

ASSIGNMENT MATERIAL

1. Go to www.surveyz.com and do the following:
   a. Design and build a short questionnaire on the topic of attitudes toward the McDonald's "Big Mac" and the Burger King "Whopper."
   b. Use at least three different question formats to gather information related to freshness, taste, service, value, and overall satisfaction. Include other attributes as you see fit.
   c. Test the survey by e-mailing it to friends or other class members.
   d. Summarize the results online.
   e. Evaluate the usefulness of the tool you have used.

Note that some sites, such as SurveyZ.com support academic and class research and allow students and faculty to register and use the service free of charge.

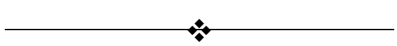
2. Conduct a comparative analysis of at least two different online survey software providers (such as www.surveytime.com, www.surveyz.com, www.zoomerang.com, www.surveymonkey.com).
   a. Identify features that would be important for adopting this software if you were conducting a market research project.
   b. Provide a comparison of available services and features:
      (1) Is software required on your computer or server?
      (2) Does the service provide database and survey hosting?
      (3) What question types are available?
      (4) Can you track who viewed your survey and who actually took your survey?
      (5) Can you send out a second mailing?
      (6) Are results available in real time?
      (7) What capabilities are available for online data analysis and report generation?
         - Frequency analysis
         - Descriptive statistics
         - Cross tabulations
         - Advanced statistical analysis
         - Specialty analyses (conjoint, etc.)

3. Set up an online chat session related to a topic of interest to college students. Use the insights and material found in Exhibit 6.8 to prepare for the discussion.
   a. Develop an outline of topics to be discussed.
   b. Register as "Moderator" and moderate the chat group by directing the discussion.
   c. Summarize the results.
   d. Identify difficulties you experienced in moderating and managing the discussion.

4. Search the Internet for information about increasing response rates for online surveys.
   a. Develop a list of what a researcher "Must Do" to increase response rate for surveys.
   b. Identify any novel ideas that have produced exceptional results.
   c. Identify the types of incentives that are most popular.

5. Develop a list of e-mail list providers and visit their Web sites to determine what they offer, specifically consider the following:
   a. What types of demographic and interest groups can they provide for a business-to-consumer survey?
   b. What are the sources of these lists (from where do they originate)?
   c. What are the cost structures for using these mailing lists?

6. Suppose you are interested in surveying a group of shoppers of home improvement stores such as Home Depot or Lowe's. Using e-mail list providers, how would you identify names of shoppers of these stores so that you could complete your survey? Which e-mail list providers would you recommend for this project?



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