2009 Market Research Dynamics e-book

A recap of 41 presentations from four Fall 2009 conferences
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Introduction

I’ve included in this e-book recaps of 41 presentations from four Fall 2009 conferences:

- Gartner North American CRM Summit
- AMA Marketing Research Conference
- ESOMAR Online Research Conference
- MRA First Outlook Conference

I’ve categorized these into the following themes:

- Online Communities
- Social Media Research
- Behavioral Research
- Senior Management
- Technology
- Trendspotting
- Mobile Research
- General Market Research
- Quality Initiatives

Of the 41 presentations, the ten post popular session recaps from http://blog.vovici.com are:

1. CRM Trichotomy: Operational CRM, Analytical CRM, Social CRM
2. General Mills Moving Qualitative Research Online
4. The Impact of Social Media on Market Research
5. Unlocking Key Performance Indicators
6. Envisioning the Future at Ford
7. Blogs as Market Research
8. Best Practices in Mobile Research
9. Social Media Trends around the World

For a condensed review, please see my research webinar recording, 2009 Market Research Dynamics. Feel free to contact me at jhenning@vovici.com with any questions.
Conference Summaries

Gartner North American CRM Summit
This year’s North American Gartner CRM Summit highlighted important changes in technology and innovation, many driven by the rise of social media and social networks.

If you divide the CRM market into Operational CRM, Analytical CRM and Social CRM, as Gartner does, then Social CRM has the smallest share of current spending (10%) but the highest share of growth in spending (60%). In fact, Gartner analyst Michael Maoz said that “Networks matter more to your success than any other initiative.”

When Jim Davies gave his “State of EFM” address, he too emphasized the rise in social technologies, emphasizing the integration of social feedback within enterprise feedback management, noting that market-research online communities are now a part of many EFM platforms, including Vovici. For Jim, the leaders of the EFM market remain Vovici and ConfirmIt, and he expects continued consolidation in the industry (Vovici has purchased three companies: Perseus, WebSurveyor and Surveyo, as well as Raosoft web-survey assets).

Not all social technologies encourage innovation, though: research director Gareth Herschel reported that Gartner clients had seen marginal-to-no ROI from investments in blog content analysis, and Gartner instead advocates that its customers learn the language of the Voice of the Customer by asking more open-ended questions in surveys and then text mining the responses. As you innovate, you need to monitor your progress, and Herschel emphasized the need to select 5-9 key performance indicators from the hundreds of performance indicators your organization follows. In a separate presentation, Herschel said that organizations need to engage in meta-analysis, analyzing their analysis process, to make sure that they improve the quality of decisions that they make in the future.

Kathy Harris, a Gartner distinguished analyst, provided a good summary of the conference. She asserted that “CRM is the most fruitful innovation opportunity for your company and your customers”; make sure to use EFM (which Gartner sees as a subset of CRM) as you “embrace your customers in co-creation.”

American Marketing Association MRC
I left this year’s 30th annual AMA Marketing Research Conference with three key takeaways. Three takeaways, and not four or seven or two, because David Weinberger, VP of Insights, Georgia-Pacific, said we should always summarize research in threes. If you think of the role of marketing research as providing snapshots of markets to the business, my three takeaways were: Zoom In, Zoom Out and Focus.

Zoom In: Jack Wakshlag, Chief Research Officer of Time Warner/Turner Broadcasting, discussed the disconnect between management and market researchers. Consumers are not conscious, rational beings, and what consumers tell us often reflects their best guesses or what they feel is socially acceptable. Bad research generates and perpetuates the myth of consumer self-awareness. Jack emphasized: “When good researchers fail to challenge bad research, all researchers--including the good

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researchers--lose credibility. When we report what people say--while behavioral data tells us what people actually do--we lose." Weinberger pointed out that modern society has robbed us of customer intimacy. He encourages researchers to look at ethnography, store shadowing, lifestyle shadowing, deep dives and immersion excursions to truly learn customer behavior.

**Zoom Out:** Another repeated theme was the need to zoom out to see the big picture. How big a picture? How about a presentation looking at trends since 1886, when The Coca Cola Company was founded?! Tom Laforge, Global Director of Human & Cultural Insights there, spoke about his research into cultural trends. The good news is that cultures change slowly: lifestyles, values and beliefs, trends, macroforces and worldviews change incrementally. Strategic planners need to develop understandings of these macroforces and worldviews so that they can account for them. Similarly, Sheryl Connelly, with the Global Consumer Trends and Futuring for Ford Motor Company, looks at demographics, consumer trends and scenario planning and has identified 10 top trends for Ford to integrate into its scenario planning. Barb Murphy, president of Strategic Spark, discussed the need to create a “Dimensional Perspective” that integrates extensive secondary research with primary research from end users, distribution channels, strategic partners, employees, competitors, industry analysts, media representations and government entities. Ravi Parmeswar, VP Global Consumer and Marketplace Insights, Citi Group, says that you need to “develop your organization’s peripheral vision and sensing”.

**Focus:** From peripheral vision to focus. Chris Frank, vice president of B2B research in Global Marketplace Insights for American Express, made a point that would be echoed by other speakers throughout the week: “Be clear on the Essential Question”. Boil down your research to the high-order, indispensible business question that each business unit needs to drive their business. Don’t move forward on a research plan until you understand this question. Michael Browning, president of Bluewater Learning, demonstrated how to use this Essential Question to shape your research presentations for the maximum impact by emphasizing this question and how the results relate.
This year’s conference demonstrated that the marketing research industry has shown resiliency and inventiveness during the ongoing global economic crisis. As you to seek to apply the lessons of your peers, remember: Zoom In, Zoom Out, Focus.

**ESOMAR Online Research Conference**

The first edition of the ESOMAR Online Research conference (a rebranding of the ESOMAR Online Panel conference) might have been named the Online Community Engagement conference, as the twin themes of community and engagement ran through many of the presentations.

A refreshing lack of consensus exists about what constitutes community research, with the case studies of community innovation being dramatically different from one other. This is a sign of healthy experimentation as methodologies are explored and tested.

Volker Bilgram of HYVE AG discussed the **Swarovski Enlightened Innovation Research Community**, a branded open community for co-creation, where over 2,000 participants uploaded design ideas for wristwatches or used a web application to configure their own designs, mixing and match gemstones and 24 customizable options. Users voted and commented on one another’s submissions, and the winning design was produced in prototype. Swarovski followed it up with another innovation community and will do more in the future.

For quite a different take on co-creation, Darren Lewis and Koen van der Wal of MetrixLab discussed an independent closed community of 150 participants, who were shepherded through a multi-week process of ideation about what the kitchen might look like in 2020. Interaction was limited, however, with participants unable to communicate directly but able to submit evaluations of each others’ ideas. The goal of the limited interaction was to encourage innovation without concerns about social acceptability. While some of the ideas generated were “old hat” (the computer as recipe box), other concepts such as the Green Kitchen and the Flexible Kitchen were quite innovative.

James Kennedy from BrainJuicer went in a different direction, describing the **JuicyBrains multi-client MROC**, an independent closed community with more than 10,000 members. This community is used to run projects to research business problems, consumer habits, brand associations, positioning, product naming and brand loyalty, using test diaries, ideation, concept improvement and other tools.

When it comes to branded communities, on the other hand, the two **social network vendors** who presented, Daniel Shapero of LinkedIn and Sean Bruich of Facebook, think that proprietary research communities are an expensive interim solution. As Shapero said, “It’s expensive, hard to do, time consuming, but it returns a great set of data. I’m guessing over time social media will provide platforms so that clients can do that there.” Bruich pointed out that “Coca Cola already has four million fans on Facebook. A lot of infrastructure can be leveraged.” Shapero believes that marketing researchers need to think about research as a marketing vector, not just a research vector.

Similarly, Daniel Coates of Globalpark discussed the rise of advocacy communities: branded open communities built not so much for research purposes but instead to turbocharge marketing efforts. For General Mills, a half million consumers were segmented to identify 100,000 opinion leaders, from which
80,000 leaders who were satisfied with General Mills were targeted for recruitment to the community. The advocacy community was then extensively marketed to in order to create pre-launch buzz and awareness of Progresso Chicken Broth, and members of the community were encouraged to promote the product to friends. The result was one of the most successful product launches in General Mills history.

Whichever type of community you build, you want it to be engaging. Ray Poynter of The Future Place presented a report card on community engagement thus far, based on 1,082 Australian panel interviews. Only 57% reported that they could always be completely honest in research communities, compared to 71% who could always be honest in online surveys. Comparing online communities to focus groups, participants enjoyed communities less, were less able to get their views across and were less likely to feel the return was worth the effort. Poynter would sum up the community report card as “Good start but must do better!”

Manila Austin of Communispace explored cultural differences in online communities and reported that diversity was more of a draw than a barrier for participants in online communities; in fact, the opportunity to meet people from other countries was a motivator for participating. Her research also revealed that surveys into the community did a better job of engaging people who were underrepresented in the discussion forums.

Tom Ewing of Kantar Operations said that engaging people may be our chief asset. With market research data collection “outflanked by the Internet”, Ewing concluded that “we are ticks on the body of the information hippo.” He argued that market researchers need to become essential to participants, making research a benefit and a thrill to provide, so that researchers can have exclusive access to that information.

Anthony Hamelle of Linkfluence argued that Web 2.0 engagement was not a revolution in the commonly accepted sense but was a revolution in the sense of rolling back to a previous solution: the sense of community provided belonging and interdependence, which was the natural state of people before the 20th century. In his view, Web 2.0 is a re-empowerment of communities and individuals within communities. To discuss engaging respondents is to miss the point, as they are not respondents, interviewees or participants but co-researchers.

Joel Rubinson of the ARF emphasized that engagement is vital to improve panel quality. You can’t buy engagement, and financial incentives produce lower quality responses. The most engaged respondents are those who are eager to share their authentic opinion.

In fact, Kees de Jong of SSI argued that quality was being addressed through so many initiatives that the focus of the industry would now shift from quality to respondent experience. He boldly predicted that the future would hold an ESOMAR Experience Conference.

However this particular conference eventually gets renamed, the first edition of the ESOMAR Online Research conference certainly engaged its community of researchers.
"It was the best of times, it was the worst of times," quoted Reed Cundiff, senior director of central market research for Microsoft at Marketing Research Association’s First Outlook Conference in San Diego. He was referring to the economy, which has forced Microsoft to be more creative about its US$100M in annual market research spending while beneficially accelerating the centralization of that spending. However, he just as well could have been referring to later sessions on social media and market research, in which a newfound pragmatism could be heard amidst the meta-hyping (the hyping of the benefits of communities for hyping brands).

Jane Mount, an executive vice president with Digital Research and seasoned focus-group moderator, discussed how MROCs (Market Research Online Communities) represent a shift in qualitative research and are now an affordable alternative to focus groups. But while she said it was easy to glorify certain MROC activities as “ethnography”, true ethnography needs to take place offline, and some activities can never substitute for the face-to-face interaction of focus groups.

Karen Manne, VP of research with Disney, provided anecdotes from the thousand, small, focused projects that have been conducted in her 1900-member MROC, the ABC Studios Advisory Panel. She was most enthusiastic about the viral marketing potential of her community, while confessing to be burned by members pirating videos, leaking confidential materials to entertainment blogs and otherwise frightening some senior executives from wanting to use the panel for serious research. As Karen said, “I love my community, but it is not all puppies and rainbows.”

Ned Winsborough, manager of consumer networks at General Mills, was similarly excited by online communities and by the potential to create “buzz agents” from their members, but confessed to not having pursued the idea further. His enthusiasm diminished somewhat when one audience member pointed out that General Mills could get stung by negative buzz from unhappy community members. Most of the rest of his presentation shared down-to-earth practical ideas culled from the 22 community projects conducted so far this year. Based on lessons learned, General Mills is using communities more for qualitative work rather than quantitative work, with smaller communities, empanelled for shorter time periods (6 to 8 weeks), with members getting larger incentives ($50/week) and being recruited near focus group facilities, so that the online work could be supplemented by offline work such as shelf studies, reviews of product packaging and taste tests. Ned has heard everything from “traditional research is dead” to skepticism about the value of online community research. “The truth is in the middle,” he said. “It has a place, and we need to approach it like any other new technology.”

While Ned called MROCs “consumer networks”, Howard Feinberg, director of government affairs of the MRA, pointed out new initiatives to legislate “social networks”. This could lead to the regulation of online focus groups and online research communities if they were classified as social networks. As a result, as an industry, avoiding using the word “network” to describe community research and ceasing to contaminate such research with marketing might be a far, far better thing to do than we ever have done.
Online Communities

How Online Research Communities Work for Consumers Invited to Participate

Ray Poynter of The Future Place presented “It works for us but does it work for them? How online research communities work for consumers invited to participate.” Researchers and community-platform vendors assume that “communities provide the authentic Voice of the Customer” and “participants love communities”. The benefits we assume for participants are that communities make it easier for participants to get their views across, more empowered, with greater convenience, feel the effort is more worthwhile and more enjoyable.

With Lou Rubie of Mars Food and Steven Cierpicki & Daniel Alexander of Colmar Brunton, Poynter did research in Australia, with 1,082 online panel interviews, four focus groups and engaged members of online research communities with discussions, polls and live chat. One hundred percent of respondents to the online survey had done a survey online (whew!), 50% had done a telephone survey (in fact, some had done 10+ telephone surveys), 16% face-to-face interviews, 21% had participated in a focus group (higher than a study of the general population due to the use of panels to recruit participants) and 17% of panel members had participated in online communities (though panelists had broader definitions of communities than MROCs).

Australian Consumers’ Perspective on Research Methods

Why do only a third of the sample always enjoy participating in communities? From the qualitative research, comments were:

- “I am putting in my own views but not hearing back from the client”
- One community was too slow with too little content
Another community had too much content, with a participant’s comments quickly scrolling off the page.

The belief that other people participating weren’t being honest

People disagreeing with the participant

Communities are less convenient than expected. Why aren’t they more convenient? For short term communities, we ask participants to log in four times a day; for other communities, we ask them to upload photos, which is “fun and rewarding but not necessarily convenient”. We give the people a sense of duty: “remember they have a small chance to win a tiny prize”!

Honesty in online surveys comes from the lack of direct observation. In communities, people are conditionally responsive based on what others are saying; it is important to give community members other channels were they can make themselves heard.

Respondents were asked if they were likely to take part in future ORCs (Online Research Communities): of those who had never participated, 96% were interested; of those who participated, 80% were interested in participating in another community.

Caveats: Australia is different from the U.S. and U.K, let alone other countries, so these results may not apply to your market. The results might change in six months to two years, as research communities are evolving so quickly.

For a final report card, Poynter concluded, “Good start but must do better!” Communities are exciting, with wonderful potential “but we are resting on our laurels, we need to do a better job.” His five key recommendations:

1. Ask participants how the experience was for them
2. Benchmark against “best in class”; don’t just compare to other communities but to other experiences and other methodologies.
3. Make communities as enjoyable as focus groups, even though this is a goal that we may never reach.
4. Make communities as convenient as online surveys: be more flexible and tailor communities around member preferences.
5. Make communities as fulfilling as having a real person there: consider doing an offline event where the community gather together or provide visits to the factory to get a tour on how the products are made.

From Bedrock to MROC: Member Activities beyond Discussions

Jane Mount, PRC, an executive vice president with Digital Research, presented “From Bedrock to MROC: An Evolution in Qualitative Research Practices” at the 2009 MRA First Outlook Conference. Jane began by describing how quantitative methods over the past sixty years have evolved from door-to-door techniques, to direct mail, to telephone and to online research, while qualitative research has remained with focus groups during this time period. Even today online focus groups represent less than 10% of the qualitative market. MROCs, however, represent a substantial shift in qualitative research: “a shift from
asking questions to get reactive consumer feedback, to listening to dialogue to get proactive consumer insight.”

Jane provided an excellent introduction to the topic of MROCs, covering familiar ground. Jane presented the MROC market as a continuum ranging from full-service suppliers such as her firm, Digital Research, on one side to technology-only suppliers such as Vovici on the other side. [She showed a couple of her competitors, and a couple Vovici competitors, all of whom I have happily omitted from my recreation of her slide!]

Frequently researchers think of MROCs as simply “listening posts”, a place to facilitate discussions and eavesdrop on conversations, but – as a full-service supplier – Jane talked about the many other research activities that MROC members can do:

- **Static ethnography** - Upload photos from their personal life.
- **Representational images** - Upload clip art or a photo that represents a topic. For a sensitive topic like body image, have them submit these privately. For a fun topic like perceptions of their in-laws, have them upload the image for all to see and comment on (one member uploaded a picture of a cactus with the caption “They’re prickly” to describe their in-laws, inspiring a comment thread from others who agreed).
- **Idea banks** - Submit ideas to a shared database where they can rate them.
- **Insight games** - Play word-association exercises and MadLibs-style sentence completion games.
- **Cartoon captions** - Write a caption for a cartoon.
- **Personal diaries** – Record daily activities, providing a richer narrative than possible through a one-time survey; for instance, revealing how members struggle with dieting on a day-to-day basis.
- **Collages**: Assemble collages that represent the topic being researched.
- **Fun polls and quizzes**: Answer entertaining questions like “If the economy was a candy bar, which of these candy bars would it be?”
- **Team activities**: Do planned exercises with others. The research team segments users upon registration and then plans team activities where each team represents a different segmentation. For instance, DRI did a traditional quantitative study that produced six segments of consumer buying behavior, then invited those respondents into the community and recorded their segmentation.

Jane said that issues suitable for research with MROCs include “ideation; testing social media strategy; trend spotting; early stage evaluation of branding, packaging, ads; exploring attitudes and behaviors; directional insights when time is critical; and testing suitable language for a target.” To her mind, MROCs are a very cost-effective method for qualitative research that is gaining in popularity because they are fast, provide ongoing insight generation, are highly creative, and their tech-intensiveness matches with respondent lifestyles today.

### General Mills Moving Qualitative Research Online

Ned Winsborough, manager of consumer networks at General Mills, presented “Accelerating Innovation with Social Networks” at the MRA First Outlook Conference. “We have a mandate at General Mills to move as much of our qualitative research online as possible in the coming months and years. We have been experimenting with this for a year, but we created our consumer networks team this summer and are now scaling it.” (*Consumer networks* is the term that General Mills uses for MROCs.)

General Mills has done 22 community projects since last spring. Why online communities? “Online consumer communities meet the needs of consumers, brand teams and agencies with busy lives. They allow you to innovate with consumers better, faster, and cheaper.” With communities, General Mills is able to engage in iterative building of concepts: “We listen, we build; we listen, we tweak. This can be done very quickly, with a lot of flexibility to the method.” Community research allows for faster speed to market. For one project, General Mills did six months of work in six weeks. Compared to other qualitative methods, communities are less expensive. “There is a fixed cost for setting up the communities, which can be very significant, but the incremental cost of doing extra weeks, extra moderation, is very low.”

As a result of General Mills’ 22 projects, they have made changes to their approach to community research:

- **Focus on Discovery** - The General Mills innovation model uses three steps: Discover, Build, Launch. The communities are great for Discovery but less suited for the Build phase. In the Discovery phase, community research always works, according to Ned, whether the project is big or small, whether the tolerance for risk is high or low. In the Build phase, small projects can be supported with community research but larger projects require traditional quantitative research. For future community research, “we are focusing on Discovery.”
• **Smaller Communities** – Early communities were larger (for example, 225 participants), but that produced too much information to quickly and easily analyze. “Now we work with communities of 30 to 50 people (more if we have subgroups we want to investigate). With fewer members, we really get to know them as individuals, and we can probe better.”

• **Shorter Duration Communities** – General Mills has moved from a permanent online community to project-based communities that last for six to eight weeks. “This is a different model than creating one ongoing community. We have some experience with that type of community: we had done that in the past but found it wasn't cost effective.” The ongoing moderation activities can be significant, yet “it is rare that we have things that we need to do every week.”

• **Larger Incentives** – Members to an early community were offered $50 for six weeks participation and a chance to win some modest prizes. Current incentives tend to run $40-50 per week.

• **Geographically Centered** – For one of its first project communities, General Mills invited seven local participants to come to their facility for shelf tests and project packaging tests. Now, General Mills “uses focus group facilities to recruit members, so that we can do selective face to face research.”

Ned has heard everything from “traditional research is dead” to skepticism about the value of online community research. “The truth is in the middle,” he said. “It has a place, and we need to approach it like any other new technology. What questions can it answer? What objectives can it meet? What objectives can't it meet? Where can it fit in an array of methods? It certainly doesn't obsolete core quantitative methods but it has powerful potential to transform qualitative research as we know it.”

**ABC Studios Advisory Panel**

Karen Manne, VP of research with Disney, presented “Journey inside the ABC Studios Advisory Panel” at the MRA First Outlook Conference. ASAP (the ABC Studios Advisory Panel) is an MROC for ABC Studios, the production company for the Disney television group, producing shows such as *Brothers & Sisters, Desperate Housewives* and *Grey’s Anatomy*, as well as *Castle, FlashForward, Legend of the Seeker* and *Lost*, among others. “We started building this community three years ago,” said Karen. “It was the first online community at Disney, the first for program planning in the TV industry.”

The community currently has 1,900 members, who are each heavy viewers of at least two ABC Studios shows and who are opinion leaders: people who are passionate about television and regularly talk to their families and friends about the shows they watch. Membership fluctuates, as members who don't log in for at least three months are purged occasionally; a purge six months ago reduced membership to 1,400. Unfortunately, the panel is not gender balanced: 86% of the members are female; Karen recently went to ComicCon to unsuccessfully recruit more men for the panel, but most men only watch one of the ABC Studios shows.
Members are not given monetary incentives at all, but participate because they want to have a hand in shaping TV programming. They are sometimes given digital access to TV shows and also see sneak peeks of shows.

For a time, members could refer friends to the community, but Karen has stopped that practice. Too many referrals were skewing some of the research, as members invited others with identical views on particular characters or aspects of the shows.

Here are some anecdotes about the community by show:

- **Brothers & Sisters** – The producers were interested in viewer opinions of several of the male characters; rather than tip their hand into which characters they were most interested in, they did a general study of all the male characters on the show.
- **Castle** – As an entertainment company, ABC Studios is able to provide unusual rewards to its members. Three heavy contributors to the site were invited to a book signing of *Heat Wave*, a real book marketed as if it were written by the fictional Richard Castle (played by Nathan Fillion, of *Firefly*). These community members were given the VIP treatment and were photographed meeting Fillion; this was then publicized in the community.
- **Grey’s Anatomy** – One problem Karen has experienced is the occasional leak of sensitive information from the panel. A poll about the character Lexie was released to the public, for instance. As a result, for some sensitive polls, respondents are no longer shown the results. (“Polls are a favorite of members, since they’re a quick and easy way to provide feedback.”)
- **Scrubs** – ABC bought the rights to this NBC show and is relaunching it with an altered premise this season. The season premiere was uploaded for community members, who were encouraged to watch the whole episode and provide feedback on the significant changes to the story. Initial viewer reaction was positive.
- **Ugly Betty** – After three years of working at the fashion magazine, Betty is finally getting a makeover, and ASAP members reviewed seven possible new looks. Through leaks from the community, this lead to fevered coverage in blogs (Perez Hilton: De Uglifying Betty) and the entertainment press, and finally, even, the *Wall Street Journal* (Making Ugly Betty Prettier: To gauge viewer reaction, ABC turns to online focus groups to test its star).

For ABC Studios, the benefits of ASAP are many:

- Provides easy access to consumers
- Yields quick feedback on insights and attitudes
- “Spontaneity allows for flexibility”
- Targeted research
- Viral marketing

Many research projects are quite small and targeted, leading to shorter, more focused questionnaires. Karen has done literally a 1000 projects in the community.
Karen said, “I love my community but it is not all puppies and rainbows – it takes a lot of work.” Some of the cons:

- Unable to verify that members aren’t reporters or competitors
- Requires ongoing investment of time and money to recruit new members
- Leaks of sensitive material to the entertainment blogs and press
- Piracy of episodes posted within the community
- Qualitative data is voluminous and time consuming to analyze
- Busy work – during off-production times (such as the summer) need to have community activities to keep members engaged for when they are really needed
- Victim of success - get pushed for rapid turnaround because executives realize the community enables it

For all its cons, Karen said the benefits outweigh the challenges. “Online communities are the hot new ticket in market research.”

**How to be Successful in Co-creation Research**

At the ESOMAR Online Research 2009 conference, Volker Bilgram of HYVE AG presented a case study of the Swarovski Enlightened Innovation Research Community, which was designed for the purposes of co-creation, marketing research and community.

- **Cocreation.** Part of the IRC was a co-creation tool to enable users to configure wristwatch designs from 24 components then selecting and freely placing any of 108 gemstones on the watch. More than one thousand designs were submitted in the first eight weeks, ranging from the simplistic to complex designs that took participants 45 minutes to create. Users could also upload designs created with other software.
- **Marketing research.** Designs were presented in galleries and rated by three groups: by users, by a jury of Swarovski designers and by a jury of external designers. Users could submit a short evaluation (award 1-5 points) or a detailed evaluation (“vote and win”). Members were invited to comment on one another’s designs. Besides stated preferences, data was mined from the configuration tool for frequency of selection of components and gemstones. In addition, preferred combinations were identified.
- **Community.** The IRC was an open community requiring completion of a short registration form. Users uploaded their own avatars. Banners on design-related websites were used for initial recruitment, which led to buzz to spread interest in the community virally. More than 2000 participants contributed to the contest from 48 countries.
Watch Configuration Tool

- Enables average user to playfully create
  - 24 components
  - 108 gems
- Vote and comment on one another’s designs
- Over 1300 configurations submitted
- Extensive quantitative analysis of gems and components used

Source: HYVE AG

In the post-processing, the winning design was produced as a prototype and presented at a leading trade-show fair in Switzerland. A trend booklet of the MR findings was used for B2B marketing by Swarovski. The community was so successful that Swarovski ran a follow-on community and will continue community research initiatives.

The Future Consumer: Co-creating the 2020 Kitchen

Darren Lewis and Koen van der Wal of MetrixLab discussed co-creation at the 2009 ESOMAR Online Research conference. Three emerging themes for product innovation are democratic innovation, Web 2.0 possibilities and active consumers.

Why Co-creation? Consumers make more informed decisions, thanks to unparalleled access to comparative information. Lego provides a great example of co-creation: consumers can build and upload their own ideas for Lego kits and receive a royalty if their idea becomes a product.

Online Qualitative: Research has been more successful at using the Internet for quantitative research than qualitative research. E-groups and bulletin boards require new skills in research moderation; many qualitative researchers argue that much of the value of the focus group dynamic is lost using such methods.

Our Co-Creative Methods: MetrixLab begins with a self-administered depth interview with the results unavailable to other participants, prompting greater candor. The MetrixLab co-creative process engages customers, unleashes creativity and discovers opportunities. Interaction is limited to seeing other participants’ contributed ideas. The phases (often spaced a week or more apart):

1. Problem analysis and individual idea generation
2. Idea sharing and enrichment
3. Evaluation by customer
4. Evaluation by professional
5. Selection

Kitchen 2020 Case Study: One hundred and fifty participants in the UK and Netherlands worked to develop the future kitchen. A video introduction to the project provided a more personal description of the project. Participants could create a “moodboard”, a bulletin board with images and colors to capture their thinking. Tools channel different creative techniques: pictures and associations, document current frustrations, explore future scenarios, ask “what if?” Participants also wrote descriptions of their moodboards. Themes were the Clean Kitchen, the Green Kitchen, the Flexible Kitchen, the Connected Kitchen and the Automatic Kitchen. The Green Kitchen might incorporate herb gardens and hydroponics.

Recommendations:

- Do’s
  - Use social media to recruit (e.g., cigar lovers were recruited from Facebook)
  - Involve a diverse group of people
  - Inspire and motivate people to join your project
  - Make the process fun, personal and engaging
  - Share the results and give feedback to customers
- Don’t’s
  - Don’t leave everything open and unstructured
  - Don’t present a challenge that is too broad or too vague
  - Don’t forget to involve the client
  - Don’t judge ideas too fast

Online Community Platforms: A Macro-Overview and Case Study

At the 2009 ESOMAR Online Research conference, James Kennedy from BrainJuicer presented an overview of his vision of the types of community platforms.

“We are witnessing a shift in corporate behavior from where they get ideas for products and services,” said Kennedy. At P&G, success rate for new products climbed from 20% in 2000 to 60% in 2008 as P&G embraced consumer-generated ideas, and P&G expects 50% of products to be from consumer-generated ideas in 2010.

Community and crowdsourcing are two new sources of innovation that organizations need to determine how to make work. It’s important to have a clear understanding of goals, who you are engaging with and how you are working with them.

Kennedy presented the following taxonomy of communities [simplified below]:
Online social networks are a party, and researchers run the risk of being party poopers. Typically these communities are more about marketing than research.

Branded open communities are a bar; “if you build it, they will come”. Some brands have the ability to attract participants to be researched, such as MyStarbucksIdea, which has 75,000 ideas with only 350 ideas implemented. (This represents a lot of new ideas that have been engaged, even though it is only a small percent.)

Independent open communities are like matchmaking for the B2B world, where people post problems and others post solutions. See NineSigma for an example.

Branded MROCs are an arranged marriage, where the communities rely on quite close affinities with the brand.

Multi-client MROCs are what BrainJuicer does with its JuicyBrains innovation community, providing access to 10,000 members across a wide range of categories. The five-phase methodology provides for insight exploration (3 weeks), concept generation (3 weeks), a harvest workshop, a concept clinic (2 weeks) and concept validation. Applications include researching problems, habits, brand associations, test diaries, ideation, concept improvement, claims and positioning, product naming and loyalty ideas.

Using JuicyBrains, Philips Healthcare researched 18 people suffering serious respiratory illness and 5 relatives of such people, asking each to document diagnosis, symptoms and treatment. This study was private and not accessible to other members of the community. Philips Healthcare drew functional insights as well as emotional context, and learnt the importance of better framing how information was presented to patients. Based on the results, Philips is investigating how it can better inform patients about the innovation process.
Market Research, Blogs, Social Networks and Community: Building or Leveraging Communities to Tap for Market Insights

Mike Masnick, CEO of Floor64.com, started the blog TechDirt in 1997, which is now rated #75 on Technorati and #53 on BlogPulse. Despite the title of his presentation, Mike said, “Don’t say that you are building communities, but that you are enabling communities.” Thanks to the Internet, communities easily assemble to discuss diverse and oftentimes narrow topics. Mike is also the author of Approaching Infinity, about the rise of new abundances: abundant access to ideas and people, with people abundantly willing to join communities, abundantly willing to share, in ways that weren’t even possible a few years ago.

Mike contends that what is different for market researchers about communities is that researchers must engage the audience. Listening and watching in a community is called lurking, which is a bad word in the community world, because it means that you are not participating. Instead, through engagement, you can find out what people really want, not just what they say they want. To truly understand a community, you have to really engage that community. Think of the added level of understanding you have of a friend compared to an acquaintance: engaging a community offers that greater level of detail over simply observing a community.

Engagement builds trust and respect and opens up opportunities for creative dialog.
**Social Media Research**

**Social Media as One Medium to Consider in Media Planning**

Mike Hess, Carat.com’s EVP of Research, Marketing Science & Consumer Insights, shared data from the Never Ending Friending study and covered social media as a medium and its implications on research:

- **Current Climate: Economic and Media** – Economy has dropped from a concern of 65% of Americans in March to 40% in August, though it remains the number-one issue, with health care in second place. Despite the recession, households are not downgrading from cable/satellite to broadcast.

- **Media Touchpoints** – Media touchpoints have risen from six types of media in the 1980s to 26-36 today (e.g., radio, TV, magazine, email marketing, social networks, keyword search). The “first screen” is the TV (live, DVR, video games), the second screen is the Web, the third screen is the mobile device, and the fourth screen is all others (e.g., kiosks). TV remains the 800-pound gorilla of media, despite declining hours among the young. People spend 8.5 hours per day on media: 65+ spend that at least 10 minutes a day on five media touchpoints; 18-24 year olds spend at least 10 minutes on 10 media touchpoints.

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**The Screen Age**

- **Social Networks** – From broadcasters to “mycasters”: social networking has gone mainstream, as people choose who to receive information from. In the U.S., 72% of online users participate in social networking; as a result, 56.3% of ad agencies realistically intend to purchase ads on social networking. After declining from $1.18B to $1.14B annual spending in 2009, social-network spending will resume growing next year. Social media is used for self-expression, discovery and interaction. Social networking sites are the preferred free-time activity, cited by 17% of
respondents. As a result, social networking is crowding out traditional behavior; social network users watch less TV and read fewer magazines and newspapers. Social networks providing new opportunities for research: instead of doing a focus group, Mike “scrapped” online communities for content about tuna, finding extensive discussions on diet/weight management websites (as well as online communities as far afield as a Star Trek fan site).

- **Navigating the Media Landscape (BOE)** – Media can be bought, owned or earned: bought media is traditional advertising, owned media is packaging and your web site, and earned media is word of mouth, viral sharing, social chatter, press and organic search. Earned media is when your brand is talked about by consumers, when your brand listens to and feeds conversations.

- **Maintaining Neutrality in Planning: Tools/Cases** – To help an organization improve communication to the Hispanic market segment, Carat conducted a psychographic segmentation to come up with two Hispanic consumer segments in this marketplace: a “Healthy & Financially Fit” segment (also digitally savvy) and a “Sedentary Indulgers” segment. This segmentation was then applied to media demographics to select the best media to target.

Given the profusion of media touchpoints, the next decade in advertising will be as much an era of testing as modeling.

**Social Networks: The Big Players**

At the ESOMAR Online Research conference, Tom Anderson of Anderson Analytics moderated an interactive panel featuring Daniel Shapero, director of enterprise solutions with LinkedIn, and Sean Bruich, a monetization analyst with Facebook.

According to Anderson Analytics, the top 10 buzzwords that senior marketing executives are tired of hearing are Web 2.0 (19.4%), social networking (12.2%) and social media (11.3%), all up dramatically in 2009 from 2008, but concede the importance of these media. An estimated 60% of the U.S. online population uses a social network, primarily either for fun or for business, though convergence is happening. Nonusers are time-starved, concerned about privacy or are “social media pessimists”. Social media is ubiquitous under the age of 24 but the rate declines by age group, down to 20% of the 65+ demographic. LinkedIn is a bit more male, and Facebook is a bit more female. The average user logs in five times a week and is less active on other types of media than a non-user.

The four biggest social networks are Facebook, Myspace, Twitter and LinkedIn. A quote from the absent Myspace representative: “LinkedIn is the office, Facebook the backyard barbeque, and Myspace is the bar.” Facebook wants to be the backyard barbeque as well as the church and school. From a myopic MR perspective, Facebook has the potential to be the ideal B2C panel and LinkedIn to be the ideal B2B panel.

Ten percent of respondents admitted to creating a fake social network profile, according to Anderson research, but maintaining a fake profile is tedious and time consuming—can social networks be a solution to low online panel quality? The speakers said that social network sites have much deeper understanding of their members than most other websites. Bruich argues that the network has counterincentives to limit people from misleading one another (e.g., unfriending, calling people out)
leading to high authenticity. LinkedIn discourages “promiscuous connecting” and wants a true representation of your professional social graph.

Bruich says that Facebook leverages its market research tools, “eating its own dog food” to determine product features, provide fast feedback for advertisers and conduct traditional and less traditional ad research. “You can’t always rely on what users are asking for but have to overcome barriers they identify” to find new opportunities, said Bruich. LinkedIn uses in-depth interviews as well as its own tools to decide what few selected things to go test. “One of the advantages of social networks is that you can be really precise about the audience you want to test,” according to Shapero.

For market researchers, Shapero says that LinkedIn has very accurate, very high quality data; LinkedIn knows who people are and that they are who they say they are. That’s a problem for today; in the future, leveraging the social graph to understand people in context will be more important. The MR industry is much more excited about listening to ongoing conversations on social networks, looking at comments by detailed demographics such as occupation and managerial role. Facebook is primarily driven by advertising influence tracking today but is doing more looking at social and consumer trends in the future. For instance, Facebook is a great place to study a movie, if users are going to go see it, what they thought; you can predict a movie’s opening weekend gross from the level of activity on Facebook.

If you’re researching CPG, you need to complement text analysis with opportunities to solicit feedback about products that aren’t being extensively talked about. Some Facebook users share everything they post, and an API provides access to that, but the vast majority of Facebook conversations are private, shared only with the social network. Facebook does a lot of text mining in house so that no PII (Personally Identifiable Information) is shared. Nothing LinkedIn or Facebook does will be allowed if it breaks the users’ trust with their site; LinkedIn in particular is concerned about the survey experience given the viral nature of that experience. Facebook correlates with Rasmussen and Gallup results more closely than other sources.

Third-party applications on Facebook can be important sources of information, sharing movies watched, books read, etc. “A survey inside a box on Facebook is still a survey, so people haven’t really leveraged the platform yet for feedback,” said Bruich. LinkedIn gets asked for surveys of respondents where none of the respondents are in each other’s first level social graphs. According to Shapero, LinkedIn finds high survey rates across its user base, though small business owners have lower response rates than software developers, for instance.

For both firms, market researchers are an important target market for future business offerings.

**Web 2.0: Transformational Technology or Pretty Gradients & Hype?**

Steve August, the CEO of Revolution, presented a Pecha Kucha session. He began by defining Web 2.0 as the convergence of software and socialness. As Paul Moore put it, “Web 2.0 is made of 600 million unwanted opinions in real time.” Web 2.0 is made of broadband Internet, social software, digital media and wireless devices. Web 2.0 has a transformational impact for MR. Initially, MR took traditional research methodologies online. The mission of market research is “to understand people to answer business questions” but life is 99% researcher free – moments of decision, of purchase, of consumption
take place out of sight. It would be expensive and intrusive to follow people 24/7, but Web 2.0 gives us this: connection + engagement + richness + immediacy. Previously our access to people was limited, a few hours in a focus group, a few minutes in a survey, but with Web 2.0 we have unlimited and sustainable access to people and their emotions. Marry these and it unleashes changes in qualitative research. Web 2.0 MR is climbing up the slope of enlightenment of the Gartner hype cycle, capturing moments of time to be everywhere at once, transforming market research.

Tom Ewing is the Social Media Knowledge Leader of Kantar Operations and presented the next Pecha Kucha session. “When a profession has been created as a result of some scarcity, the professionals are often the last ones to see it,” Clay Shirky wrote, in *Here Comes Everybody*. Market researchers solicit and create information, collate and validate information, ensure it is representative, analyze and deliver information, deriving the meaning from it. All of these were scarcities that people were willing to pay for, but now there are...

- More and better DIY research tools.
- Weaker barriers to sharing opinions.
- Larger and richer data trails that people leave behind. They leak more data, share more data, leaving more to be analyzed.

Why ask information when it is already out there? Why ask other to test your new ideas? Our ability to collect data has been outflanked by the Internet. “We are ticks on the body of the information hippo,” Ewing said. Validating user generated data is vital, and such validation is a narrow skill; data can’t analyze itself, which is another scarce skill; data can’t present itself, which is another scarce skill. The scarcities are more stable, less threatened by Web 2.0, but do market researchers own those scarcities? We need to become essential to participants, making research a benefit and a thrill to get the exclusive information. We need to make the case for validity and the need for representativeness. We are mastering the new data sources such as social graphs. Then we can start prioritizing the analysis and delivery. That is why we can anticipate a bright future for the market research business. We can recognize the decline of scarcities and react accordingly.

Anthony Hamelle, the vice president of opinion and market research at Linkfluence, presented next. Where Web 1.0 was static, Web 2.0 is dynamic. People get and share information on the Internet. People now get information filtered by who they know, through friends, peers, acquaintances in the social network. A revolution can mean rolling back to a previous solution: sense of community provides belonging and interdependence, which was the natural state of people before the 20th century. Communities have strong and weak links: tribes of a few thousand, communities up to 300, bands up to 50. Influence from a distance is threatening; more comforting from friends. Communities evolve and exist and die online; the flow of opinions can be seen through communities as they travel through community leaders and members. Web 2.0 is a re-empowerment of communities and individuals within communities. Not every human group is a community; it takes time and belonging; very few actual spontaneous brand-driven communities. Rethink how we view interviewees, respondents, participants co-researchers.
Web 2.0 is a return to community.

The Impact of Social Media on Market Research

At the 2009 MRA First Outlook Conference, Owen Shapiro of LJS Associates and Tom Malkin of GeeYee, Inc. presented “The Impact of Social Media on Market Research”. In order to better understand the strengths and weaknesses of social media research, LJS conducted phone and social media research into the Tropicana unrepackaging incident.

Earlier this year, Tropicana rolled out repackaging that many shoppers complained looked like a generic brand and made the product much harder to find on store shelves. The resulting pushback led to Tropicana to revert to its earlier packaging.

To study this, LJS surveyed 1,000 U.S. consumers by phone and online and then weighted the results to be demographically representative. Fully 20% of consumers surveyed had noticed the new Tropicana packaging; of these, 32% liked the packaging, 32% were neutral and 27% were negative. Only 1% of consumers had posted online about the packaging.

For social media research, GeeYee scraped 1,900 posts from over one million web pages analyzed; each post typically covered three or four topics. Here is the categorization of the most frequently mentioned topics:

- Price – Primarily discussions of coupons and sales
- Premium OJ – Discussions of comparatively higher cost
- Ingredients – For instance, the shift to Brazilian rather than Florida oranges
- Confusion in store – Fully 34% of posters discussed not being able to find the product in stores
- New package design – Discussions of this accelerated once the packaging was withdrawn
- Reversion to “classic” packaging – Posters commented about Tropicana’s announcement or upon seeing the old packaging restored

Comparing surveys to social media is like comparing apples to orange juice (sorry):

- Social media’s impact is disproportionate to the level of activity. The multiplier effect for each posting produces an impact often missed by traditional marketing metrics. Lost in a typical survey is how vocal those who disagree might end up becoming.
- The data is dirty. When it comes to social media, you can’t distinguish between grassroots and “Astroturf” (sponsored marketing campaigns design to mimic grassroots efforts), between legitimate blogs and “splogs” (spam blogs), between memes being relayed because they resonate or because they reciprocate (blog-post exchanges).
• Brands with unique names are easier to research. It is easier to extract quotes about the iPhone than Coach. Researching Tropicana required removing references to the Tropicana casinos in Las Vegas and Atlantic City, a level of cleaning not needed in coding verbatim survey responses.

• Topics are not always organized to answer our questions. Since posters can discuss anything, you need to develop a much broader coding sheet than for open-ended survey questions, which are tightly focused. Sometimes social media may not be talking about your question at all.

• Social media is not representative, only directional. You can try to quantify it to better understand the direction but it will still be qualitative.

Leo concluded that social media is best used early in the market research process: to develop hypotheses to test with surveys or to use up front as a qualitative tool to more fully understand issues and to see what you might have overlooked.

Bloggers as Research Partners
Josephine Hansom, a social researcher with GfK NOP, presented at the 2009 ESOMAR Online Research conference results of qualitative research with ten bloggers. Key points:

• **Confessional Society**: A confessional culture provides accessible opinions; people share because an audience is now available that is interested. On 9/30/09 blogging about Barack Obama, people were concerned that other priorities were more important than the Olympics bid, people in other countries felt that Obama’s trip to Copenhagen provided an unfair advantage over other competitors.

• **The challenge**: Deconstructing online opinion, looking at the blogger instead of the blog. The study performed content analysis on 10 blogs, engaged with the bloggers online then talked with the bloggers offline. The blog is different in four distinct ways: motivation, audience, identity (online and offline identities could diverge) and publishing (attitudes towards security and privacy).

• **Opinion sharers**: Who blogs? Three types of blogging participants identified in this study:
  - *The ready-meal blogger* documents offline personal interests, has a small known audience but is writing for himself more than the audience, like a diary. He does not identify as a blogger and is security conscious.
  - *The dinner party blogger* is interested in generating interest and interacting with guests (like a dinner party host). She wants to generate and maintain an audience, which has changed her blog from its beginnings as a personal blog. Her online world mirrors the offline world; she has a greater understanding of online publishing than other blogs.
  - *The lite blogger* doesn’t see the blog as an everyday activity but uses it when task driven. He is aware of his audience and doesn’t share personal data or information that wouldn’t be useful.

• **Going forward**: How useful are blogs as data? The online persona does not always reflect the offline persona; remember the bloggers’ potential motivations and concerns about privacy and security. Bloggers merit a reciprocal relationship. When using blogs as research data, recognize
the impact of the audience and interaction on what the blogger is sharing. Engage by acquiring bloggers as sample, eavesdrop to analyze online statements, and connect in order to understand context of what is being shared, meeting bloggers half way; only then can we authenticate the opinions being shared online.

### Blogs as Market Research

In the dock: Blogs, charged with the crime of wasting market-research resources.

The prosecution: Gartner research director Gareth Herschel

In one of last week's keynotes at the Gartner CRM conference, “Analytics-to-Action: Key Analyses for Customer-Centric Decisions”, Gareth Herschel dismissed the value of blogs as a source of MR insights. He said that Gartner clients had seen marginal-to-no ROI from their investments in blog content analysis. “It’s eye candy: management likes to see it.” Similarly, Gartner clients have seen no ROI on connecting customers to their social networks. In terms of concrete ROI, Gartner advises its customers to instead learn the language of the Voice of the Customer by asking more open-ended questions in surveys and then text mining the responses.

The defense: Janet Eden-Harris, VP of Web Intelligence for J.D. Power

In an interview by Adam Sultan of Marketing Sherpa, Janet identified the following applications of blogs for market research:

1. Brand monitoring, especially of competitors’ brands
2. Trend analysis – tracking studies
3. Customer profiling – with analysis across the posts of a single author providing a richer look at customers as individuals
4. Unmet needs – reading blogs to learn product and service frustrations, wishes and ideas.

The jury: Out

I will recuse myself, since clearly I like Gartner’s answer that surveys are more valuable than blogs for market research.

What would you say? Would you be a witness for the defense or for the prosecution?

### Social Media Trends around the World

Bonnie Breslauer of Lightspeed Research presented the Global Web Index (GWI) at ESOMAR Online Research 2009, which includes research from Tom Smith of TrendStream.

The Global Web Index is a syndicated research offering from TrendStream focusing on attitudes regarding usage of social media. TrendStream surveys 16,000 respondents every six months with a long questionnaire (completion took longer than 30 minutes). Lightspeed’s global consumer panels were
weighted by national representation of key demographics, focusing on 16 markets representing 70% of the Global Web Universe.

While email is continuing to grow, social network and community sites are growing faster: 31% growth from August 2008 to 2009 for social networks compared to 20% email growth. The key factors for online usage are cultural, generational and gender.

- Cultural drivers. Emerging markets (Brazil, Russia, India, China) have the greatest usage of social media and use social media more than ecommerce.
- Generational drives. After country, age is the second defining factor. The younger the respondent the more likely to use social media. Everyone uses the Internet to stay in touch with friends, but keeping friends up-to-date has the highest skew towards younger generations. Users who create content are also more likely to be younger, regardless of culture. Younger generations have greater trust in social-media connections and trust the author of a blog they’ve read recently more than a journalist for a national periodical.
- Gender. Women are more socially motivated than men and are more likely to have engaged in social media usage within the prior month.

Social media users fall into three types: passive, light and active. Passive users participate by viewing; light users update content or manage a social-network profile; active users create web sites, blogs or videos. While small in number, active users have a disproportionate influence.

The survey touched on some brand use and perceptions. Consumers value open dialogue with a company as opposed to one-way messaging: 22% reported that their perception of a brand is improved if the organization responds to comments in online communities and forums. In an interesting segmentation, owners of Chrysler, GM and Ford automobiles are less likely to use microblogs or upload videos than BMW or Mini Cooper owners.

As social media evolves, it is more important than ever to understand trends among consumer usage of social media.
Behavioral Research

Know When to Hold Them, Know When to Fold Them

Andrew Baird, VP of Marketing for Convenience Retail for BP, shared stories about his years of research in the convenience-store market. One particularly vexing recent decision was whether to consolidate three BP brands or not—and—if so—which brand to consolidate to.

BP had three brands: am-pm on the West Coast, the healthier Wild Bean Café in the Northeast, and bp connect elsewhere. Complicating the research process, Andrew has found that respondents in this space often shape their answers based on the influence of social norms:

- When Andrew was researching the impact of sweepstakes on petrol purchases in New Zealand, one focus-group participant said she would never be interested in sweepstakes; they would not make a difference to where she filled up her car. After the focus group concluded, as she got up to leave, her purse fell open and out dropped dozens of sweepstakes tickets. She had been too embarrassed to admit her enjoyment of such promotions.
- As Andrew studies convenience-store food choices, respondents frequently express an interest in healthy choices for food, but in real life buy the less healthy option: they say they want a salad but buy a hamburger. They “think thin, eat fat”. Andrew commented that the recent failure of Fresh & Easy, the Tesco entry into the U.S. convenience retail market, may be because it seems “to have taken the American consumer at face value”. Yes, the convenience store needs to offer some healthy food, but that salad serves as a permission driver to get customers to treat themselves.
- Even small decisions go awry. To save costs, one store replaced plastic coffee stirrers with wooden stirrers. Customers thought the wooden stirrers were flimsy and would take three of them on average, instead of a single plastic stirrer, resulting in increased costs rather than the expected savings.

Faced with the decision to consolidate three convenience store brands to one, Andrew didn’t trust respondents. After initially concluding their traditional research, they decided the data was inconclusive. “We went back to the research table with convenience store users. We developed five trial stores. I’m a huge proponent of ethnography to understand their actual behavior. In my experience, it is the real moment of truth. After observing these trial stores, we had our answer. We moved from three brands to one: am/pm, as heavy C-store users preferred am/pm. We still had salads, like Wild Bean Café led with, but they were not the big sellers.”

Summing up, Andrew said, “There is no silver bullet, no magic research recipe. It’s data plus consumer behavior plus intuition. You only get one chance to launch a product or service; you rarely get a chance to relaunch. It is critical to get it right the first time. Marketers need and want market researchers at the table.”
Inspiring Change: Innovative Methods & Integrated Advertising

At the ESOMAR Online Research conference, Alison Bryant of Smarty Pants, Katie Bessiere of MTV Networks and Brian Levine of Innerscope Research discussed the use of biometrics to demonstrate that casual gaming is serious business.

Sixty two participants, ages 14 to 34, were invited to select a game to play while wearing a wireless biometric vest, while having their pupil dilation and attention measured. The key conclusion was that participants had 95-99% focused attention with games, compared to 80% for TV programming and as low as 30% for TV commercials. People pay attention when playing games.

Three conclusions from the testing of video pre-roll advertising:

1. Focus on action games. The study hypothesized that there were ad-impact differences between action games vs. cognitive games. This hypothesis was validated, as video prerolls have higher recall when placed before an action game; the cognitive game seems to drive out what was learned in the video preroll. As a result, MTV Networks now classifies games on its sites based on whether they are action or cognitive games, in order to serve up video prerolls before action games.

2. Shorter is better. A 15-second video preroll had double the recall levels of a 30-second preroll, perhaps because the key messaging occurs at the end of video, by which point participants have stopped paying attention in the 30-second spot.

3. Drive synergy between games and brands. Contextually relevant ads in front of nonbranded games provide better recall (e.g., a Burger King ad before an unbranded burger shop game): people who played a game related to the ad actually enjoyed the game 40% more. MTV now codes games about subject categories to better serve advertisers.

Four conclusions for in-game advertising:

1. Focus on games with high cognition (e.g., word games, games where players must spot the differences between pictures).

2. Target areas of focused attention. Fifteen seconds of focus on the message in the game produced 80% recall. In the U.S., the left side of the game produces better recall than the right side.

3. Integrate with the game brain. Put messaging in areas with higher cognition, such as the loading screen, the menu screen and the rewards screen.

4. Be central to the action. Banner ads are often ignored so brand a scoreboard instead, brand acknowledgement for completing a level.

MTV Networks now has an advergame development handbook that encodes the findings from this research to produce games that better support MTV advertisers. MTV is demonstrating that casual gaming makes for serious advertising.
**Why Your Management Doesn’t Listen to You Like You Think They Should**

Jack Wakshlag, Chief Research Officer of TimeWarner/Turner Broadcasting, discussed the disconnect between management and market researchers. He boiled it down to two primary problems: the elephant in the room and the sacred cow.

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**Why Your Management Doesn’t Listen to You**

- **Elephant in the room:** Consumers often lack true awareness of their actions
- **Bad research perpetuates myth of consumer self-awareness
- **Integrate behavioral metrics into your research**
- **With careful planning and research, challenge executives’ sacred cows
- **“Appointment viewing”** believed by TV execs but even *Sopranos* viewers only watched 3.7 of 10 episodes (the high)

*Source: Jack Wakshlag, Time/Warner*

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**The Elephant in the Room**

The elephant in the room for the market research industry is the problem or issue that is obvious but ignored: if you want to know how consumers use anything or why, just ask them. What happens when we ask people to think about and tell us what they do or why? They will tell us something. It’s just not a very reliable something. “While people are very willing and very good at volunteering information explaining their actions, those explanations … aren’t necessarily true,” wrote Malcolm Gladwell in *Blink*.

Consumers are not conscious, rational beings; in fact, consumers are often not aware of why they behave as they do. What consumers tell us often reflects their best guesses or what they feel is socially acceptable.

Bad research generates and perpetuates this myth of consumer self-awareness. Jack emphasized: “When good researchers fail to challenge bad research, all researchers—including the good researchers—lose credibility. When we report what people say—while behavioral data tells us what people actually do – we lose.”

There is a fundamental disconnect when researchers provide advice based on what people say when management makes money on what people do.

Focus on behavioral metrics for your brand – KPIs to gauge the progress and relative strength of your brands. Management wants to win: they want something to follow that tells them how they are doing.
Sacred Cows

Sacred cows: people have certain beliefs – how do you deal with those certain beliefs when your results call them to question? “Don’t be afraid to challenge sacred cows – in fact, relish the opportunity!” Of course, make sure to have solid data, be prepared to answer detailed questions and offer explanations for why the sacred cow is, in fact, a false hypothesis. Because it can be contentious, do it at the right time in the right place and the right way.

Jack encountered this in the television industry with the “Appointment Viewing” fable – the belief that, because program ratings don’t change much from day to day or week to week, it seems to be the same core group of viewers. This myth has many incarnations [reincarnated sacred cows?]:

- People generally watch the same shows week in and week out
- Appointment viewing is critical to the success of a show
- “Our show has a small but a loyal core audience.”

To study this, Turner Research analyzed 44 different shows across many networks and genre types. The study included a survey where programmers and marketing staff gave their perception of how many of 10 episodes the average viewer watched.

<table>
<thead>
<tr>
<th>TV Show</th>
<th>Programmers’ Perceptions</th>
<th>Marketers’ Perceptions</th>
<th>Behavioral Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soprano</td>
<td>6.6</td>
<td>6.0</td>
<td>3.7</td>
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<tr>
<td>American Idol</td>
<td>6.9</td>
<td>4.8</td>
<td>3.0</td>
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<tr>
<td>Sex &amp; the City</td>
<td>6.5</td>
<td>5.8</td>
<td>2.8</td>
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<tr>
<td>24</td>
<td>6.0</td>
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On average, across the 44 different shows, people watched 2.5 episodes out of 10. Rather than show many charts and graphs, show them one big number. Appointment viewing is a myth, but beliefs in myths don’t go down easily. You have to provide good reasons to support your refutation. For this sacred cow, Jack pointed out:

- Only 50% of those who view a given program one day are even watching TV at the same time the following day
- Everybody has a few shows they hate to miss, but it really is only a few; you can count them on one hand
- These “can’t miss” shows do not account for a majority of most people’s viewing: a large proportion of time is spent with other shows
- Our recollections are wrong: we remember those few shows we intended to watch and made sure we watched, and don’t recall those other shows that we happened upon.

So, if you want management to listen to you, you must become a more effective communicator.
Senior Management

You Can't Be Brilliant Alone: How to Achieve Influence without Authority through Effective Collaboration

Chris Frank, vice president of B2B research in Global Marketplace Insights for American Express, discussed how market researchers can collaborate with internal and external clients. Chris has worked client side and supplier side, bought research and designed research, even moderated focus groups. Chris provided seven principles on how to collaborate:

1. **Be clear on the Essential Question.** What is the high-order, indispensable business question for each business unit to drive their business? Don’t move forward on a plan until you understand this question. Then, when you present the results, emphasize the essential question and how the results relate.

2. **Lead a hypothesis flip-chart session.** Document key hypotheses for the essential questions to find out preconceptions of the sponsors of the research. In the report, summarize the hypotheses, whether they are true or false, and how you came to that answer.

3. **Practice smoke-jumping.** “A smoke jumper is a firefighter that parachutes in to combat wildfires.” In research, the smoke jumper is rapidly deployed to investigate smoke and understand hot spots from ongoing research, to the point of commissioning a second study even while the first is still in the field. The smoke jumper prevents the fire drill!

4. **Reveal the surprises.** What surprised you in the results? Don’t lead with the data, but lead with the surprises: summarize that 400-page research tome in one page.

5. **Steer clear of the squiggly-line syndrome.** “What?” Ignore the trending and the minor shifts in metrics over time; don’t get caught up in the morass. Ask “So What?” What are the ramifications of the data? Then ask “Now what?” What do we do as a result of this?

6. **Avoid the “Alice in Wonderland” Meeting.** Don’t do research for the sake of research if the results will be ignored; reframe the research to answer the Essential Question.

7. **Make your bottom-line your top line.** Put the key findings at the front of the research. Organize for clarity; data supports the story. “Research is like a lighthouse; we shine a bright light on the five big rocks.”

As Chris said up front, “Syndication is 90% of a researcher’s jobs. We are educators as researchers. We have to tell the story again and again and again.”

**Deviant Leadership for Researchers**

At the AMA Marketing Research Conference, Greg Reid, CMO, YRC Worldwide, outlined eight principles for a different kind of leadership: deviant leadership.

A leader is anyone who can influence at least one person “to passionately embrace a new idea, follow a new direction or chart a
new course”. Leaders do not need to be managers with direct reports.

Corporate culture works to eliminate deviant employees, to discourage deviant ideas and even to punish deviant behaviors and attitudes. “And of course, as a result, most large companies lose the opportunity to discover the future and get there first,” write Ryan Matthews and Watts Wacker in The Deviants Advantage. Deviant leaders have to struggle against that culture, since such leaders are “the source of all innovation, new ideas, services, personalities and ultimately new markets.”

The 8 principles of change for researchers to become deviant leaders:

1. Plan: Know the company’s strategy.
2. Position [within the organization] doesn’t matter. Employees need to consider how they can create change, how they can fulfill their responsibility to their employer to help it succeed.
3. Eliminate project mentality. Embrace the broader picture of what you are doing not the tactics of a project.
4. Profit: seek ways to improve the bottom line. Are you in the research business or your organization’s business?
5. Accelerate the Pace of change. Skate to wear the puck is going, don’t go where the ball has been. Deviant leaders discover the future and get there first.
6. Don’t succumb to the Pressure. Nothing produces more pressure than an office environment; have meetings outside the office. Exercise, pursue outside interests.
7. Develop partnerships. Build relationships with resources.
8. Perfection: Forget it. We’re not trying to do more with less; we’re trying to do lots more with lots less. Quantify the risks of not having perfect data, but go with the data you have.

Be Fascinating
At the AMA MRC, Sally Hogshead, author of Radical Careering, discussed her new book, Fascinate: Your 7 Triggers to Persuasion and Captivation, due out in February 2010.

Sally began with a recap of the tulip craze. Tulips bloom in the spring for one week, yet people would trade their life savings for a bulb. Economists call this the first economic bubble. In the moment, when people get fascinated, when their perception of value has been driven up, things get out of whack. When people realized that tulip bulbs weren’t worth 12 acres of land, the Dutch economy crashed.

When marketers bring fascination to their clients’ products, it raises the value of those products. Take something that is not innately fascinating and find something fascinating with it. Consumers want to buy things to make them fascinated. Most brands are purchased so that the person can feel more fascinating to others. The more fascinating, the more we can charge. Based on research that Sally did, she found that women will spend more to be fascinating than they spend on food and clothes combined: willing to spend 15% of their budget. If you make your product fascinating, you can access this market.
Most marketing messages fail badly. They are not fascinating. Here are seven triggers to persuade and captivate:

1. Mystique: Intrigue with unanswered questions.
2. Prestige: Social rank and respect.
3. Vice: Temptation with “forbidden fruit”.
4. Power: The ability to command and control.
5. Lust: The craving of pleasure.
7. Trust: Certainty based on experience.

When you map brands to these triggers, you find that Coke is very high on lust and trust, high on vice and alarm, lower on mystique and power. FedEx is very high for alarm and trust and is high on power and prestige. Kmart has low values for most triggers, except for trust.

Potential fascination badges:

- Purpose
- Core beliefs
- Heritage and culture
- Products
- Benefits
- Actions

And some gold hallmarks of a fascinating brand:

- Provokes strong, immediate reactions
- Creates advocates
- Becomes “cultural shorthand”
- Incite conversation
- Forces competitors to realign
- Triggers social revolutions

Keep in mind that these may not be the most liked brands. For your own brand, don’t be fascinating for the sake of being fascinating. Be fascinating for the sake of communicating your ideas.

**Unlocking Key Performance Indicators**

In an evening keynote at the Gartner CRM conference, “Analytics-to-Action: Key Analyses for Customer-Centric Decisions”, research director Gareth Herschel presented a wide-ranging discussion of using analysis to reach conclusions centered on the customer. A number of his points focused on selecting KPIs (Key Performance Indicators).
Gareth related a conversation with a client, after he had asked her about her KPIs. Turns out she had 137 KPIs for her department. “Well, that makes for an interesting definition of K!” he said. As a practical matter, she concentrated on just 7 of the KPIs. Unfortunately, her boss had a different 7 that were important to him. Moral: you have to measure what matters.

Gareth’s advice is that no manager have more than 5 to 9 key metrics. Since we figuratively talk about “keeping balls in the air”, he used the analogy of juggling: world records for juggling a few items measure the feat in hours, while world records for juggling 10 or more items measure the record in catches. Physically and figuratively, we can’t juggle too many items.

Of course, if you are only going to concentrate on a few items, you’d better select them with care. Too often items are tracked because they can be, not because they should be. As Gareth said, “Marketing never saw a piece of data they didn’t want.” Worse, most KPIs are at too simplistic a level and fail to focus on LTV (Life-Time Value).

Customer churn by itself is an example of a bad performance indicator: “80% of value destruction occurs from 20% of your customers; you want to fire those customers,” Gareth said. Telecommunications firms and utilities especially suffer from this. Instead of just looking at minimizing churn rate, for instance, ask “Who’s at risk of churning? Do we care about them? Why will they churn? What should we do to retain them? Would we succeed? Are they likely to be at risk of churning again?” Segment customers by LTV and current value and seek to minimize the churn rate of those with the highest current and lifetime values.

Remember, you can have hundreds of performance indicators but you have to focus on the key indicators to achieve customer-centered decisions.

**Meta-Analysis: Who Analyzes the Analysts?**

At this year’s Gartner NA CRM Summit, Gareth Herschel presented “Making Gut Decisions More Intelligent”. One of his key points was that most organizations fail to study and improve their decision-making process. “We have to create a culture of auditing the decisions,” he said: not to punish bad decision makers, but to identify ways to make better decisions in the future.

As part of this decision audit, Gareth advocates logging for each decision which best practices were followed. For instance:

- Was the forecast of market demand accurate?
- Was there an opportunity for dissenting voices to be heard?
- Did stakeholders share information?

Then, once enough time has passed to determine whether a decision was a success or failure, plot each best practice on a quadrant.
This quadrant analysis is adapted from "Flaws in Strategic Decision Making: McKinsey Global Survey Results": For the vertical axis, use the percentage of decisions for which the best practice was followed, with 0% at the bottom and 100% at the top; for the horizontal axis, use the difference between the presence of such practices in successful decisions subtracting out their presence in unsuccessful decisions. The most important quadrant that emerges reveals practices that are “Common in Successes, Rare in Failures”. These are the key decision-making practices that are most important to your industry and organization.

To parallel Kathy Harris’ advice of “Continually innovate how you innovate!”, you should continually analyze how you analyze.
**Technology**

**Innovation: Your New Core Competency**

The last morning of the Gartner North American CRM Summit Kathy Harris, Gartner VP & Distinguished Analyst, presented “Innovation: Your New Core Competency”. Kathy began by asserting “CRM is the most fruitful innovation opportunity for your company and your customers.”

Kathy identified six key drivers shaping innovation in the coming five years:

1. **Seek out innovation through consumerization and the Web.** This is a fertile area disrupting past business models.
2. **Embrace customers as co-creators in innovation.** The future of idea generation includes crowdsourcing, idea marketplaces and innovation “jams”. Many customers want you to serve them better in the future: you need to identify these lead customers from the standpoint of idea generation, build communities and councils to “systematize VOC” and spark customer creativity. "If you don't engage your customers in innovation, someone else will."
3. **Similarly, embrace your business partners in innovation.** Build outside-in networks as eBay has done with 85,000 developers; co-develop, as Novartis has done on public-sponsored research; and build inside-out networks as P&G has done.
4. **Let social trends pull you into further innovation.** Changes in demographics, lifestyles, technology use and refusal all provide opportunities for reconsidering the types of products and services you provide today.
5. **Innovate with your IT spending.** In a Gartner survey of over 2000 organizations last year, 67% of IT budgets were spent on running the business, 19% on growing the business and only 14% on transforming the business. You need to set goals to innovate your IT infrastructure to reduce costs, to free up additional budget for growth and transformation.
6. **Don’t forget basic CRM best practices.** You can’t build innovative CRM capabilities on a shaky foundation.

Kathy Harris' final recommendation: "Continually innovate how you innovate!"

**CRM Trichotomy: Operational CRM, Analytical CRM, Social CRM**

Woven through the presentations at the Gartner North American CRM Summit is an emphasis on the Gartner trichotomy of CRM into operational CRM, analytical CRM and social CRM. In the first morning keynote, Gartner analyst Michael Maoz said that Gartner is seeing spending shift from operational CRM to analytical and social CRM.

Maoz reported the following ballpark estimates for the growth between the segments:
Underlying the importance of the social aspect, Maoz said “Networks matter more to your success than any other initiative.” He emphasized that social technologies now, externally to vendors, provide consumers more information than those same vendors have internally. He had two examples to illustrate this:

1. Going to the web site of his refrigerator to buy a filter, where it treated his search “refrigerator [model #] filter” as an “any keyword” search, giving him dozens of untargeted links, before he was finally able to find the single filter they sold. He decided not to buy it, then went to Google, found three filters on Amazon rather than the one, read user-submitted reviews, found a link to a crowdsourced Howcast video on how to install one of the filters, then went back to Amazon and purchased it. Superior service from the social Web.

2. Calling Toyota for a problem with his RAV4. Yes, they had CRM and instantly knew him, knew his car, knew its warranty-replacement history. Unfortunately, the customer service representative didn’t have access to any of the three articles in the New York Times and elsewhere (which included references to internal Toyota engineering documents) that had led Maoz to the conclusion his car qualified for additional warranty work.

Jim Davies, in the “Role of Technology in Improving the Customer Experience”, returned to the CRM trichotomy, using it for a taxonomy of CE initiatives:
Customer Experience Initiatives Beyond the Survey

<table>
<thead>
<tr>
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<th>Before Experience</th>
<th>During the Experience</th>
<th>After the Experience</th>
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<tbody>
<tr>
<td><strong>Operational CRM</strong></td>
<td>Campaign Management</td>
<td>Knowledge Management</td>
<td>Survey</td>
</tr>
<tr>
<td><strong>Analytical CRM</strong></td>
<td>Propensity Mode</td>
<td>Real Time Next Best Action</td>
<td>Speech Analytics</td>
</tr>
<tr>
<td><strong>Social CRM</strong></td>
<td>Forum</td>
<td>Customer Self-Service</td>
<td>Media Monitoring</td>
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Source: Gartner

Vendors have too often taken an “after the experience” operational view of Customer Experience, and need to broaden the initiatives they are considering deeper into the analytical and social spheres.

**EFM: The Who, When, Why, Where & What of Surveying**

At the Gartner CRM Summit (North America), Jim Davies gave his presentation, “EFM: The Who, When, Why, Where & What of Surveying”. Some highlights:

- **What?** I noticed in Jim’s other presentation that morning, he used “feedback management” and “survey” rather than “EFM”: enterprise feedback management. It’s still an acronym that prompts quizzical looks. Jim described enterprise feedback management systems as the feedback “hubs” of their organizations, the central repository for survey data, across departments and across channels (web, paper, phone, etc.).

- **Why?** Without EFM systems, organizations trip all over themselves, oversurveying customers and missurveying them, because of a lack of attention to process and results. A big failure is the lack of personalization. Jim related the tale of a colleague who bought a Mini Cooper online: he was kept up to date with each stage of the manufacture and shipping of the car, to the point that “the car” emailed him e-postcards from its cruise across the Atlantic (“Playing shuffle board with the other Minis. Looking forward to meeting you!”). It was a great, personalized experience. Until the survey came! Ten pages, 80 questions, beginning by asking which car was ordered, what option package was selected, and so on. Apparently the survey research firm hadn’t played shuffleboard with the car.

- **Who?** Jim mentioned two firms as leaders in enterprise feedback management: ConfirmIt and Vovici. He said that there were 60-70 vendors, though most had less than $2M revenue. As an up-and-coming vendor, he mentioned Allegiance for its acquisition of Inquisite; he also mentioned MarketTools. I thought it was notable that, having mentioned consolidation was
coming to the industry, he discussed the four firms that have made acquisitions in this market: ConfirmIt, Vovici, MarketTools and Allegiance have each made at least one acquisition (Vovici has purchased three companies: Perseus, WebSurveyor and Surveyo, as well as Raosoft web-survey assets).

- **When?** Begin planning for EFM implementations now! “Your competitors are getting better at this!” Gartner estimates that EFM implementations will grow 15-20% in 2010 over 2009. When planning to implement an EFM system, Jim noted that “EFM functionality is more diverse and complex than many organizations perceive.”

- **Where?** By department and across the organization. In online communities. Set up an online community with member profiles containing information such as the member’s product portfolio, demographics and geographic location. Use forums for ad-hoc feedback, with text mining supporting the qualitative analysis. For the quantitative side, field surveys to not only community members but to customers who aren’t community members as well; let customers select their preferred modality.

So there you have the S W’s of EFM.
**Trendspotting**

**Don’t Look Back, Anticipate Instead – Forecasting Changes in the Marketplace**

Ravi Parmeswar, VP Global Consumer and Marketplace Insights, Citi Group, discussed how to anticipate changes.

Think of the housing crisis like the tornado grabbing Dorothy and her house and whisking her to a strange new land. What should Dorothy do?

Ravi began with a recap of failed predications he had witnessed in his career: the prediction in the 1970s the world would be out of oil by 2010, that microwaves would radically change the kitchen, that the Internet would be the death of brick and motor, and that concerns about health and weight would lead to the death of fast food.

Linear extrapolation is dangerous. The outcome is highly non-linear with significant interaction effects. Organizations need to plan for several outcomes. A ball, released on the same terrain with the same initial conditions, will roll down to a very different place, driven by many variables as the ball rolls down. The first blade of grass it hits can change the entire sequence of events.

As a result, organizations need to forget the old planning rules and prescribed steps but look instead at multiple scenarios and multiple futures. Anticipate what will happen tomorrow, plan to Act on it then Adjust.

1. **Anticipate:** Develop your organization’s peripheral vision and sensing. “Most organizations have maverick employees with insights about the periphery, but these individuals are rarely tapped.” – George Day & Paul Schoemaker, “Scanning the Periphery”. To anticipate our new normal at Citi, we find social networks incredibly helpful.


3. **Adjust continuously:** Tweak the plan or completely revamp the plan? Implement more measuring, with multi-dimensional measures; too often dashboards don’t change unless management changes. Agility is paramount. The old way was to have a 5-year plan. The new way is to change course.

The future belongs to those companies with a bias towards action and re-evaluation. Ignore the wicked witches that would distract us. Be our own wizard and create our own future.

**Using Human and Cultural Insights to Anticipate Consumer Desires**

Tom Laforge, Global Director of Human & Cultural Insights, with The Coca Cola Company presented. Coca Cola is in over 200 countries around the world and needs to see the similarities and differences among these consumers. We use the tools of anthropology to find out where consumers are going.
Edward T. Hall (1914-2009) pioneered ethnographic market research, and said, “The information is in the people, not in your head”. Such research, of course, is subjective depending on the analyst.

Human insights are universal and unchanging, based on biology, lifestages, psychological motivations and ergonomics. Cultural insights change slowly: lifestyles, values and beliefs, trends, macroforces and worldviews. Coca-Cola has a cultural researcher in almost every country it does business in; for cross-cultural interactions the two researchers of the two countries discuss. Macroforces and worldviews tie us together.

Marketing insights, on the other hand, change more rapidly: category, consumer, customers, channel, shopper, brand and product. 90% of Coca Cola researchers work in this area.

Three Categories of Insights to Research

<table>
<thead>
<tr>
<th>Human Insights</th>
<th>Cultural Insights</th>
<th>Marketing Insights</th>
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<tbody>
<tr>
<td>Universal</td>
<td>Vary by culture</td>
<td>Vary by market</td>
</tr>
<tr>
<td>“Unchanging”</td>
<td>Change slowly</td>
<td>Change rapidly</td>
</tr>
<tr>
<td>Lifestages</td>
<td>Lifestyles</td>
<td>Product category</td>
</tr>
<tr>
<td>Psychology</td>
<td>Values</td>
<td>Consumer</td>
</tr>
<tr>
<td>Ergonomics</td>
<td>Macro trends</td>
<td>Channel</td>
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Source: Coca-Cola

Coca-Cola was invented in 1886 by American pharmacist Dr. John Pemberton. The macroforces that have shaped the world since then include population growth, the spread of capitalism, increasing affluence, medical and psychological advances, technology and automation, connectivity and mobility, environment changes and globalization. Given these macrotrends, how will each affect consumers, brands, marketers, companies and our worldview?

Envisioning the Future at Ford

At the opening of the AMA MRC conference, Sheryl Connelly, with the Global Consumer Trends and Futuring for Ford Motor Company, discussed her role within Ford. Her job is to understand the world. She describes herself as the only person in the company who doesn’t concentrate on cars: instead, she looks at demographics, consumer trends and scenario planning. Ford follows a process to provide a broad view and diverse opinions. Ford tracks over 200 trends in a trend database and then rolls that up into ten major tends. She then educates the rest of the company on those trends.
Ford’s top trends:

- **Aging population.** The population is getting older, driven by: medical advances, active lifestyle, delayed marriage, delayed parenthood and declining fertility. What does the mean for Ford customers? Do you give up your car keys at 80 if you think you will live to be 102? This is significant in some markets (i.e., Japan) and not present in other markets (i.e., Russia).

- **Changing physiology:** Short and long term physical changes that accompany aging, affluence and urbanization. Important among these is the increase in obesity, especially childhood obesity: even infant obesity is up 70% in 20 years.

- **Consumer is King.** Consumers have unlimited choice and options, making them more savvy and more demanding, driven by: globalization, market fragmentation, on demand, online auctions and word of mouth.

- **Rising Power of Women.** Women’s power growing around the globe as social, political and economic status rises. Key drivers: improved education, career opportunities, financial independence, and delayed marriage and parenthood. Women control 85% of household financial decisions.

- **Ethical Consumption.** Increasing concern over health, society and environment has consumers integrating ethical and religious beliefs into the purchase process. Key drivers: power of the Internet, rising trust in NGOs, butterfly effect (local scale, global impact), citizen groups and shifting accountability.

- **Crisis of Confidence.** Threats to financial security, health and personal safety has consumers feeling vulnerable. Examples of firms reacting to this: BofA’s Keep the Change program has brought in 2M new customers (6M accounts); Hyundai will make your car payments for three months if you lose your job (and now Ford will as well).

- **Careful Consumption.** The consumer “balances practicality with passion” and exercises self-discipline, thoroughness and deliberation. Key drivers include the credit crunch and end of the era of excess.

- **Safety & Security.** Consumers seeking out reassurance of personal safety, security, health and wellness. Key drivers: new threats, mistrust in business and government, media, technological advances, demand for precision and perfection.

- **Information Addiction.** Consumers have become reliant on access to real-time information, giving them greater control, power and success. Key drivers: knowledge as status, influentials, greater scrutiny, time poverty, just in time lifestyle.

- **Information Overload.** Too much information can be even more problematic than too little information. Key drivers: flogs and blogola, astroturfing (fake grassroots campaigns), Lonelygirl15, advertorials.

So what’s next? No one can predict the future. “I want the organization to never be surprised in our brightest dreams or our darkest nightmares.” Ford relies heavily on scenario planning to make sure that it is contemplating the actions required by these major trends.
Mobile Research

Mobile Interviewing: The Next Frontier of Data Collection

Steve Lavine of Toluna discussed mobile interviewing at the 2009 ESOMAR Online Research conference, beginning by acknowledging that growth has been slower than expected. While online surveys provide real-time data delivery, such surveys are completed at home or the office: mobile surveys, on the other hand, can now put the survey right at the point of sale.

Mobile interviewing works well when you need immediacy or have to reach younger generations or otherwise hard-to-reach audiences. Mobile interviewing works well for diary studies, where panelists can record impulse purchases as they are being made, eliminating reliance on memory and increasing reporting rates; SMS can be used to send reminders to complete the diary. Camera phones can be used in ethnographic research, as respondents submit audio clips, digital images and even short videos about, for instance, the use of a product. Mobile interviewing can also be used for pharmacological testing.

Handheld devices have long been used for intercept surveys. Mobile tools leverage affordable hardware and work well in developing countries and can provide access to real-time information such as current quota levels.

Good target demographics for mobile interviewing include teens and Generation Y, who are reluctant participants in most other modes of research, but love to text, chat and surf. They love the challenge of the camera phone and eagerly send in images, audio clips and videos; this is true of any income level of teenagers. Much telecommunications research obviously makes sense to do on the mobile phone.

The mobile web provides a rich, extended survey experience with digital images, but many cell phones do not support the web. SMS surveys are discontinuous exchanges of information and are used for simple, text-only polling (a few choose-one or fill-in-the-blank questions), but are accessible to far more people in the U.S. and worldwide than mobile-web surveys. An emerging trend is the downloadable application, which offers rich survey experiences but only to a small installed base; maintaining an access panel of any size or representation is difficult; this works better for a small, well-known group such as employees or partners. IVR surveys fielded to cell phones require the creation and maintenance of an opt-in list for permission contact panelists at the mobile number; invitations are often sent by SMS and the phone IVR survey can be longer, from 5 to 12 minutes in length.

Mobile interviewing provides more rapid response time (2.6 hours) than the response rate of any non-mobile method (5+ hours), often 50% faster. Mobile IVR response time is 3.2 hours vs. 5.1 hours for mobile web surveys. This is a significant benefit for entertainment research. For traditional online surveys, SMS invitations provide a 3.9 hour response time, compared to 6.4 hours for email invitations. Respondents invite by text more closely match the population’s age distribution.

In the future, more short-code surveys will be advertised point of sale and upon exiting the store. Expect to see proximity-triggered surveys using GPS, RFID, cell-tower triangulation and other methods, often with panel registration.
Best Practices in Mobile Research

Chris Ferneyhough and Sonia Bishop of Vision Critical discussed best practices for fielding online surveys to mobile audiences in the ESOMAR Online Research 2009 conference. Chris began by pointing out that mobile Internet adoption outpaces desktop Internet adoption and forecasts that eventually usage of the mobile web will be 10 times usage of the traditional web.

Vision Critical asked respondents to a survey if they had received their email invitation on their phone: 1.9% had in the US, 1.2% in UK and 3.8% in Canada. Clearly, respondents are already completing online surveys on mobile devices, even though authors have often not taken this into account. Chris mentioned that a panel registration survey for a smart phone vendor didn’t actually work for that smart phone, because of the registration form’s reliance on JavaScript, which was off by default on the phone: the open-ended “Other (please specify)” box was locked and disabled because it required JavaScript to enable it once the corresponding radio button was clicked. Since client-side scripting is disabled on many phones, the data your survey collected may be wrong.

Researchers need to recognize the fact that online surveys are being completed on mobile devices and need to be optimized for that medium. The wide variety of smartphones at GSMArena.com reveals hundreds of different models with dramatically different market share in different countries. Colors and fonts are implemented differently by different phones and may not be implemented at all on a smartphone: a certain color may render some text unreadable.

Many respondents are unfamiliar with their web browser or alphanumeric entry mode on their phone’s keypad. Many respondents are concerned about data costs: some have unlimited data plans, others have pay-as-you-go plans. Many have low data connection speeds.

To do further research on these topics, Vision Critical studied respondents who are smartphone users and are willing to complete questionnaires on their phone. The sample was balanced and weighted on gender and age, with 500 Canadian respondents, 118 US respondents and 107 UK respondents. The survey covered attitudes towards the national economy. No significant statistical differences were found for closed-ended questions on mobile devices vs. desktop devices. For open-ended questions, of course, desktop users were more verbose.

The likelihood to participate in future surveys on mobile phones was greatest for iPhone users (47% were likely to), compared to only 34% of Blackberry users and 23% of all other smartphone users.

Sonia presented back-end mobile research best practices:

- Maximize use of the available space
- Profile your panel for smartphones, whose email addresses may vary for the phone vs. the desktop
- Identify devices and models supported by your data collection software
- Manage the process of deploying surveys to mobile panelists

And questionnaire design best practices:
- Use simpler question types
- Avoid Flash effects and JavaScript validation
- Write more concise questions and answer lists to minimize scrolling
- Put the Next button “above the fold”
- Limit survey length to 10-15 questions (unless heavily incentivized)
- Keep it simple: avoid color, grids, images, etc.
- Develop for the lowest-common denominator devices

Clearly, survey authors fielding online surveys need to take mobile users into account when developing surveys.
Conquering the Complexities of Research in Business Markets

Barb Murphy, president of Strategic Spark, discussed conquering seven objections and complexities of business-market research. Before starting her own firm, Barb had roles within a research supplier, ad agency and then client side. Business markets aren’t just B2B; for traditional B2C, business markets include research into the businesses that distribute products to resellers or that resell to consumers.

Researchers need to bring clarity to murky situations. Constituencies to research include end users, distribution channels, strategic partners, employees, competitors, industry analysts, media representations and government entities. Supplemented by secondary research, a “dimensional perspective” brings all these viewpoints together to develop scenarios.

You need to balance the views of the channel as customer and the end user as customer. When researching a business market, who do you interview? The decision maker, the evaluators/recommenders, indirect decision influencers, purchasers? Individually or in combination? For instant, for call center software, you need to interview the call center manager, the IT manager, the CFO and the CEO. Barb transformed what was planned as a survey of 200 call-center managers into a series of dyads and triads. A good qualifying question that casts a wide net within an organization: “Are you involved in evaluating the ‘product’ your company purchases?”

Despite all its complexity, B2B marketing spend often represents only 20-25% of B2C’s spend. Key reasons:

- Fewer customers to target
- Relationship focused B2B culture places lower value on marketing
- Complex to target and message all the roles that influence market decisions

How do you overcome objections to B2B research? “Internal objections are simply great opportunities to educate management and transform your ‘research’ into a market insights strategist,” said Barb. The seven objections:

1. **We already know that.** “Our sales force and service reps talk to customers every day; we know them.” To conquer this objection, harness the power of internal experience and insight. Research these employees to learn what they know.
2. **They just won’t get it.** “Our products are too technical, too complicated, too complex. It’s our job to come up with new ideas. Our customers just aren’t smart enough.” To conquer this objection, institute collaborative insight planning sessions that brings everyone together and have them help identify the types of information they need to make a decision.
3. **It’s too complex.** “No survey is going to help us understand our business customers—too many entities influence the decision.” To conquer this objection, engage experts, influencers and lead users to find out how they might respond to the subject being researched. For instance, for
truck emission technologies needed to cope with new regulation, experts and customers did in fact have a handle on a complex subject.

4. It’s too small. “We only have 3,000 business customers vs. 3 million consumers. It’s a waste of money to have formal research with such a small group; let’s just do a focus group!” To conquer this objection, right-size the approach and provide phased study options that integrate qualitative and quantitative research.

5. You’ll never find them. “Even if we wanted to reach them, we don’t know how. We have customer contact information, but we don’t know how to find and reach the potential users within our customers.” To conquer this objection, if you can find a sample solution, you help crack the “lead generation code”. If they can’t find out who to research, they are probably having difficulty finding out who to sell to! Take a research role and help solve a much bigger problem.

6. They’ll never tell us that! “You just don’t know how small and competitive our industry is. Why would experts, customers and competitors share this information?” This is the hardest objection to conquer. To do so, start early, generate and distribute sound bites throughout the study. “Research isn’t just about the beginning and end of a project,” said Barb; you can provide guidance throughout the project.

7. It’s way too expensive. “We just can’t afford it. It seems so much more expensive than our B2C research.” To conquer this objection, you need to educate your clients about the drivers of B2B research cost: less sample to draw from, the time required to network to find the right contacts, declining cooperation rates (often driven by company policy), complexity of research that require detailed industry knowledge, need for higher incentives (contributions to charities works well), expense of hybrid research methodologies, all with comparatively fewer research firms specializing in B2B research.

This was a great discussion of a common type of research that does not receive enough attention within organizations or within the market-research industry itself.

Finding Out What You Don’t Know: Top 10 Things Researchers Don’t Realize About Research

David Weinberger, VP of Insights, Georgia-Pacific, discussed 10 items researchers often don’t recognize about their work:

10) Understand the business. Who is the target customer? How does the business make money? Connect the dots between different functions? Home Depot only learnt a few years ago that 3% of their customers made up 30% of their revenue.

9) You don’t need to reinvent the wheel. As an industry, we have a tremendous literature representing a wealth of knowledge going back a long time. Motivational research was developed in 1947 and continues to evolve in brand-strategy development; the volume forecasting model was created in 1960 by Fourt and Woodlock. You need to seek out these old and valuable methods.
8) Develop repeatable processes and frameworks. It’s faster, cheaper, provides norms and cross-study comparisons. For instance, build a standard advertising-effectiveness model for your organization.

7) It’s 10:00 in the morning. Do you know what your customer is doing? One hundred years ago, running a country grocer or butcher shop, you’d know everything about your customers. Look at ethnography, store and lifestyle shadowing, deep dives and immersion excursions to truly learn customer behavior.

6) Try new insightful approaches to understand unmet customer needs. Do you know the definition of insanity? Doing the same thing over and over again and expecting a different result. Corollary: “If you do what you did, you will get what you got.” Look at deep qualitative research, ethnography and cultural insight. Check out In Your Purse: Archeology of the American Handbag for a study of women’s handbags, which uncovered billions of dollars in product innovation and marketing opportunities.

5) Learn to speak finance. Learn to translate your research results into ROI: for instance, quantify sales lost due to customer problems.

4) Can you write a one pager? Tell me the “What” and the “So What”. Give your clients the one page with the key findings and the key recommendations. Talking in threes helps people remember it: summarize in threes. Put the insight at the top and the implication at the bottom.

3) Develop actionable insights that drive execution. Use insight strategically and holistically to increase sales and profitability. BCG will publish a study of 45 organizations and how the value of the market research is bringing a broad perspective to the organization.

2) Focus on leadership and execution. Inform the organization with all the research.

1) Don’t forget to sharpen your saw. Read, participate and invest the time to improve.

**Market Research at Microsoft: Evolution of the MR Department**

At the MRA First Outlook Conference in San Diego, Reed Cundiff, senior director of central market research for Microsoft (and formerly an analyst with the Yankee Group), discussed how market research at the company has evolved and is evolving.

Prior to the creation of the Central Market Research Insights team, researchers had existed alone or in pairs in many different departments across the company. Job descriptions varied significantly; researchers had no career path within Microsoft.

Four years ago, the CMRI had just eight staff. It peaked at about 102 people in June, before being brought down by layoff to 97 staff. The upside of the downside, as it were, is that it has further accelerated the centralization of market research: departments that in the past were funding their own research are now turning to the central group instead. “We see that a lot of ad hoc research budgets have been cut; that is good for us, as there were many projects done outside of our research group.” As a result, the organization is eliminating redundant and superfluous research expenditures.
The vision for the central research group is “to be a driving force behind Microsoft’s business and product strategy” with the mission of delivering “strategic, fact-based insights that drive Microsoft’s most essential business decisions.”

The organization spends $80M to $110M annually on external research: the technology sector’s largest research budget, according to Reed. Projects range from doing a market opportunity analysis for a v1 health care product to conducting a customer satisfaction survey with 100,000 respondents across 86 countries. CMRI devotes 3.5 FTEs to its research vendor management program, where they develop the preferred vendor list and do biannual reviews of the vendors (and ask the vendors to review the research managers they interact with). The result has been better use of outside vendors and consistent improvement. Before the new process, Microsoft would “run a pilot with a vendor, fall in love with that vendor, bury that vendor, then never do business with that vendor again!”

CMRI’s strategy has three key components: to “deliver integrated insights” (primary research with market analysis), to “be a trusted advisor” and to “display business acumen”. As a result, what Microsoft wants and expects from its internal researchers is changing [worth a blog post of its own!]: researchers need to be more consultative and need to specialize in a few focus areas.

In its research on research, the CMRI has adopted Six Sigma. “In the past fiscal year, we went through the Six Sigma process and we are reducing the number of defects study by study by study. We averaged 12 defects per final report in a six-month period to 3 the next period down to 2 most recently.”

“We need to seize the opportunity. We are moving through a lot of challenges but to drive a fact-based culture, the timing has never been better for us.” In his concluding remarks, Reed said, “We spend millions of dollars that affects hundreds of millions of dollars in marketing spend that affects billions of dollars in revenue. We have to get it right.”

To Price or Not to Price, That Is the Question: Predicting the Effect of Price Increases – A Non-Technical Explanation

Eliot Roth, Senior Manager of Pet Custom Research for Del Monte, said “From the beginning of time, man has been consumed with one great question: How much do I charge?” Businesses have succeeded or failed on this. Like the Chinese curse, we live in interesting times. Del Monte has seen hyperinflation in commodities and then deflation, causing a rethinking of pricing research. The new world challenge is “out of bounds” pricing. The hyperinflation of commodities has pushed us outside the range of past models.

The three traditional pricing models are cost-based pricing (which Finance likes), competitive pricing (which Marketing likes) and economic pricing of the supply and demand curve (which economists like). In the real world, multivariate regression can be used to model pricing effects. For elasticity models, start with a good data source (for CPG, IRI and Nielsen are the suppliers, and Del Monte is a Nielsen
house) and then control for other market forces (e.g., store size, seasonality, promotions, direct and indirect competition).

Key things to keep in mind:

- **Use relative pricing, not absolute pricing.** What happens when everyone raises their price? Increased fuel costs and commodities costs have raised the pricing of entire categories. The effect differs depending on the category: if it is not discretionary, people still buy it (gasoline doubled but consumption dropped only 5%), but other categories see shifts to substitutes.

- **Relative pricing needs to consider item elasticity and category elasticity.** We did the math of the price increase separately: 3% price increase * 1.5 elasticity (4.5%) for item + 4% category component * 0.5 elasticity for 6.5% elasticity. This was the most predictive model for us.

- **Use interaction levels to calculate category price increases.** The relative category is defined by evaluating the item’s competitors that interact most with it, using a weighted evaluation by interaction.

- **Avoid over-fitting models.** People overfit the model, with too many variables providing better fit statistics (one model had 4,800 factors) at the expense of predictivity.

- **Do not mix sizes.** Mixing different priced (different sized) SKUs introduces noise: for instance, a discount on the larger size can increase the average price.

- **Transform variables.** Avoid overly simplistic models, such as traditional linear models. Data models need to be transformed or normalized to have a better fit and to be more predictive.

**Multicultural Market Research: Eight Make-or-Break Rules**

David R. Morse, president of New American Dimensions, discussed his new book *Multicultural Intelligence: Eight Make-or-Break Rules for Marketing to Race, Ethnicity, and Sexual Orientation* at the MRA First Outlook Conference. He argued that all U.S. researchers need to develop competency in multicultural research, given shifts such as these in American demographics:

- The percentage of foreign-born population in the United States has increased to 14%, a level not seen since 1910.
- Hispanic immigration is at an all-time high, and Hispanics will make up 20% of Americans by 2050.
- By 2044, white Americans will be a minority according to projections from the U.S. Census department.

Here are David’s eight rules:

1. **Boost your multicultural competency.** The U.S. Census is very detailed and useful for developing a detailed demographic understanding. When doing focus groups or qualitative research, make sure to have a moderator or interviewer of the race or sexual orientation being studied.

2. **Divide and conquer.** Don’t accept the stereotypes (“Hispanics are brand loyal”) but segment this population to truly understand how it relates to your market. The Current Population Survey is one of the few resources that lets you segment population by generation. Foreign born (or first-
generation Americans) are very different from second-generation Americans, who generally speak English as well as their parents’ native language; second-generation Americans are different again from the third-generation Americans, who typically speak only English.

3. Don’t trust the experts. The accepted wisdom is often full of persistent and incorrect “truths” and urban legends, especially relating to translation. Do your homework.

4. Don’t let the joke be on you. Tread carefully when doing multicultural marketing with humor; what is funny differs dramatically by culture.

5. Don’t get lost in the translation. Given the prevalence of translation errors, make certain to backtranslate the questionnaire. David once was surprised to see in a survey that 100% of Spanish-speaking Hispanics disagreed that “the Internet is color blind”. Rechecking the Spanish translation, he found that it has been translated to mean “the Internet has red-blue-green color blindness”.

6. Push their buttons. Find the cultural cues that people resonate with; use your research to determine what those are for your market.

7. Market on a wink and a prayer. In a mainstream ad, insert a subtle cultural reference. The mainstream will miss it, but the targeted culture will appreciate it.

8. Make up; don’t cover up. Watch the watchdogs. Many segments have advocacy and anti-discrimination groups; if your marketing runs afoul of them, stop the campaign at once and apologize.

America is not one culture, and savvy researchers realize this. “We are not a color-blind society,” said David. “We live in different worlds. We talk differently. We listen to different kinds of music. We worship differently.” Follow David’s eight rules to improve your organization’s marketing and market research.

Innovative Online Research

At ESOMAR Online Research 2009 conference, Ron Riley, an independent marketing research consultant, presented a case study of the U.S. Presidential campaign of Barack Obama. In July 2007, the Obama campaign wanted to develop a framework for smarter policy decisions about whether to go to war and how to evaluate performance in war. Riley was hired to apply online research to assess voter perceptions and refine the doctrine for Obama policy staff.

Five innovations used in the research:

1. The study used hybrid sampling (Caddell, 1984), using random selection of 76 respondents from a national panel, with 20 to 120 minute interviews (50 minutes on average).

2. Reinterviewing identical respondents across multiple points in time (August/September 2007 and November 2007) to understand the evolution of individual perceptions. For instance, Gary Hart’s re-entry in December 1987 was seen as presidential but that perception evaporated among the same respondents in six weeks.

3. A multimedia Internet platform that required webcams was used to interview respondents at any location with versatility, engaging all three learning styles. Only 12% of adult learners are
auditory learners, making the phone less engaging for research; the study showed a wide range of stimuli to engage respondents visually and kinesthetically.

4. Smart phones and PDAs to visit URLs and upload video and audio. Low incidence and connectivity

5. Finally, voice analysis of involuntary vocal frequencies was used to understand respondent emotions, using Nemesysco technology.
Quality Initiatives

ESOMAR 26 Q and Internet Guidelines
Kees de Jong, the CEO of SSI, presented an overview of ESOMAR codes and guidelines at the 2009 ESOMAR Online Research conference.

ESOMAR is less well known in the United States than the rest of the world; ESOMAR is an international organization promoting better market research, with 5000 members in 100 countries agreeing to abide by its code. The United States found online access panels to be of acceptable quality for years, only refocusing on quality after Dedeker’s criticisms of quality at the IIR in 2006. This led to a dramatic surge in interest in quality, with many initiatives from many of the industry associations.

The ESOMAR Code outlines eight key fundamental principles for professional researchers. The Code dates back to 1948 and first addressed Internet research in 1997, with the Internet guidelines having been revised three times since then, most recently in the upcoming 2010 guidelines. The E25/E26 provided a list of questions to help inexperienced buyers of online panel compare and select providers. Providers then asked ESOMAR to come up with the right answers, but the goal was to stimulate debate not provide authoritative answers, which was healthy, as new research changed assumptions: for instance, NOPVO discovered that surveys with low response rate (5%) were not materially different from surveys with high response rate (30+%).

The 2010 guidelines look at four focal points: ethical (e.g., confidentiality and anonymity), regulatory (e.g., PII), methodology (e.g., panel vs. river), and technology issues (e.g., digital fingerprinting). The three overriding principles: researchers must diligently maintain distinction between marketing and research; don’t bring the industry in disrepute; and the foremost principle is treating the respondent with respect, building a relationship built on trust, respect and reciprocity.

What does the future hold? A new focus on respondent experience and perhaps an ESOMAR Experience Conference!

ARF Online Research Quality Council
Joel Rubinson, the Chief Research Officer of the ARF, discussed ARF quality initiatives. The ARF ORQC (Online Research Quality Council) was assembled to address the issue of panel quality. The committees developed “Foundations of Quality”, a research-on-research project in October and November 2008 conducting 100,000 surveys across 17 U.S. panels, supplemented by phone and mail research.

The research revealed that all seventeen panels could retest their results reliably, but results varied significantly from panel to panel. Switching panels or using a panel undergoing major changes could change the results. The purchase intent for a concept correlates to panelist longevity (panels vary significantly by longevity), but no weighting scheme removed this variation when doing multi-panel sourcing. Rebutting assumptions, taking multiple surveys per month (3 to 10) was actually good for respondent engagement, putting the professional in the term professional respondent, which is usually
a disparaging terms. Most panelists were not in it for the money, but those who were provided lower quality answers.

### Quality Initiatives

- ISO 20252 Standard
  - Survey research quality
  - All stages
  - All mode
- ISO 26362 Standard
  - Access panel
- Quality Enhancement Process
  - Panel level
  - Sample level
  - Survey level
- ESOMAR Code
  - 8 key principles
  - 1948
  - E26
    - Panel purchase FAQ

An industry-solutions committee started translating the insights from this research into an action plan, the QeP. The QeP (Quality Enhancement Process) v 1.0 offers templates, definitions, metrics and declarations to bring structure to conversations between buyers and sellers about online panel quality. The QeP is designed as a process to help buyers and sellers meet the shared goal of providing valid and consistent data. QeP is designed to encourage innovation that improves data validity across the online research ecosystem, which includes marketing and research departments on the client side, management consultants, suppliers and subcontractors to those suppliers.

The QeP looks at standards of quality at the panel level, sample/study level and the survey/response-quality level.

- At the panel level, panel providers should document recruitment methods, incentive systems, panelist profile, privacy policy, survey QA standards, etc. When panels merge, buyers should be wary of doing trend analysis with results from a predecessor panel.
- At the sample/study level, document a consistent sampling plan, promote sample consistency and eliminate duplicate survey taking in any form (deduping households, not just respondents).
- At the survey/response-quality level, control for panelist longevity.

The next step for ARF is to pilot test the QeF to ensure that the templates are clear, the documents are workable and the reports are useful and comprehensive. These results will drive future evolution of the QeP.
ISO 20252 Standard

Bill Blyth, Chair, ISO TC 225, Global Methods Director, TNS Global, UK, discussed ISO. ISO (International Standards Organization) efforts on survey research grew from European trade associations with concerns about the quality of data collection, dating back to the 1970s for standards for face-to-face interviews in the UK and Netherlands. ISO 20252 covers quality at all stages of the survey process: “As some restaurants in London serving offal say, ‘It’s nose to tail eating!”

ISO 20252 addresses the quality triangle of Design, Process, User with Fitness in the center. It specifies procedures and documentation and sets minimum levels of validation for key elements. It applies to subcontractors.

While ISO 20252 covers all methods, including online research, the Access Panel Standard – ISO 26362 – published in 2008 provides an alternative to 20252 for specialist panel providers. The 20252 standard is being rewritten to be technology neutral so that it will not need to be rewritten “every time a new gizmo” comes out.

The ISO 20252 has replaced local standards in Australia, Netherlands, Spain and the UK and will do so in France and Sweden in 2010. Italy and Mexico have 20252-inspired local versions. In total, over 250 companies around the world are certified ISO 20252 compliant; the standard does require a compliance audit by a third party.

ISO is encouraging audited compliance to be a contractual/procurement requirement in RFPs. ISO contends that the ISO 20252 saves adopting organizations money by facilitating getting projects right the first time, requiring less rework.

Since online research is the easiest method of research to conduct globally, global standards are needed to ensure quality. ISO 20252 provides a framework and common language for online quality and is a global standard suitable for any size organization in any country.

Market Research Regulation in 2010

At the MRA First Outlook Conference, Howard Feinberg (@hfienberg), director of government affairs of the Market Research Association, presented “Regulation Over the Horizon: Emerging Research Technologies & Modes and the Legal & Privacy Hurdles”. Howard covered six broad trends that have implications for the future of market-research regulation.

- Online behavioral tracking – FTC proposes self-regulatory standards, which means “you need to regulate yourselves, or we will do it for you”. Facebook recently settled a lawsuit about Beacon, which was considered to be in violation of established, offline privacy laws. Public opinion about behavioral tracking is mixed: users prefer free web content, paid for by ads, to subscription websites and are aware that information about their web browsing is collected, but are disturbed by the “creepiness” factor when they are unsure about what information is collected or how it is disseminated. In a recent survey, 92% of respondents felt that there should be a law requiring websites and ad servers to delete all information about them upon request.
• **Location and behavioral data** – A little appreciated downside of our connectivity is that we’ve given up locational privacy, as we are tracked by our cellphones and GPS devices in our cars (if you know someone’s home and work address you can identify their GPS data stream); sites like Google Latitude and Loopt provide information about where opt-in users are in real time. Locational data is not just about where you go, since those locations demonstrate associations – “political, religious, amicable and amorous, to name only a few,” according to a New York State Court of Appeals ruling in May. Even with GPS off, phones can triangulate location from cell towers. Other developments that provide the MR industry great opportunities for observational research from data aggregation:
  o Car insurance companies in California were recently given approval to charge rates based on travel patterns and mileage.
  o Feinberg joked about RFID tagging of research participants, pointing out that RFID-tagged passports are now used at U.S. border crossings.
  o A smart grid for power management of networked appliances and HVAC systems could provide insight into intimate consumer usage of appliances.
  o UK billboards photograph license-plate numbers to look up the make and model of the vehicle, showing an ad for the exact motor oil required by that vehicle.

• **Social media** – Scraping social media is limited by concerns about data quality, which prompts questions about who these people really are. From an ethical standpoint, are users aware that you are watching, listening, reading, analyzing their output? Teens and tweens are often naïve about the privacy of their data. New laws are regulating social networks, without defining social networks; this could have implications for researchers, if online focus groups and online research communities become classified and regulated as social networks.

• **Respondent authentication** – One survey found that web users were open to authentication by trusted vendors. No U.S. law currently governs digital fingerprinting, which is used by many panels for respondent authentication. In Europe, an IP address may constitute protected PII (Personally Identifiable Information).

• **Cloud computing** – The provision of data through servers accessible over the Internet raises risks for data security; Howard advised researchers to make certain to download and backup data stored on such systems. How do international data transfer laws relate to cloud computing? This is yet to be decided.

• **Ethical and legal initiatives** – For self-regulation of the industry, researchers are urged to provide transparency and consumer control over data, with limits on data retention. A standard practice, widely adopted, is get consumer consent whenever a privacy policy is changed. An additional practice is to get consent for using “sensitive” data. Best practices for location-based services include providing notice, requesting consent and implementing safeguards. For research authentication, notice, consent and efficiency. U.S. researchers should seek to follow the FTC’s [Fair Information Practice Principles](https://www.ftc.gov/).

Clearly, researchers prefer self-regulation to external regulation and Howard encourages researchers to work with him to shape best practices and influence legislation.
About Vovici

Vovici is the pioneer in Enterprise Feedback Management (EFM), providing comprehensive survey software, panel management and online community solutions. Our survey tools enable organizations to centralize feedback data collection, build and manage proprietary panels, leverage corporate social networking, and utilize robust survey analytics and reporting. Our solutions increase customer loyalty, facilitate collaboration and innovation, influence critical business decisions and provide voice to online communities. Organizations worldwide, including more than half of the Fortune 500, rely on Vovici to gather feedback on customer satisfaction, perform market research and gauge employee satisfaction.

- We are 100% focused on Enterprise Feedback Management
- We have more than 15 years of industry experience
- We have over 3,000 customers and are used by 58% of the Fortune 500
- We invented the term Enterprise Feedback Management and persuaded Gartner, Forrester and our competitors to adopt it
- We were the first EFM vendor to provide functionality to engage online communities for feedback
- We have processed over 150 million completed surveys for our customers
- We have a full spectrum product offering that meets the needs of our customers from simple survey tools to comprehensive, fully integrated feedback solutions
- We have our roots in two of the early pioneers and market leaders in Enterprise Feedback Management—Perseus and WebSurveyor

Survey Software vs. Enterprise Feedback Management

How do survey software applications typically differ from enterprise feedback management solutions?

Survey software is typically designed for the individual user, working on one or more survey research projects. Core functionality includes:

- Survey Creation – Writing multi-page web surveys with open-ended and closed-ended questions.
- Templates – Starting with a wide selection of customer satisfaction, employee satisfaction, course evaluation and other standard survey instruments to choose from.
- Basic conditional logic – Skipping over certain questions and pages based on the answers to other questions.
- Multi-Language Support – Fielding one survey in multiple languages.
- E-mail Invitations – Sending out invites with hyperlinks to potential survey respondents and following up with periodic reminders.
- Basic Reporting – Viewing frequency reports and lists of verbatim responses for all the questions.
- Exportable Data – Saving survey data to file formats such as Excel and text files.

Vovici knows survey software well. The *PC Magazine* roundup of six survey software applications in February 2000 featured three products – Perseus SurveySolutions for the Web, WebSurveyor 2.0 and EZSurvey 99 for the Internet – that are all part of Vovici’s heritage (Vovici was formed from the merger of WebSurveyor and Perseus Development, and purchased the Raosoft EZSurvey assets).

While Vovici knows survey software well, we’ve made a business of supporting customers as they’ve outgrown the needs for such software. Vovici pioneered enterprise feedback because so many survey software customers needed more functionality.

Today, enterprise feedback management systems typically extend the core functionality of survey software with:

- CRM Integration – Where users grow tired of exporting email lists from their CRM system, CRM connectors can keep the EFM system in sync automatically.
- Advanced Analytics – When users want to drill down on results in detail, EFM survey analytics go beyond simple reports.
- Triggers & Alerts – When users begin to think about survey processes, rather than projects, they can set up email alerts triggered by specific answers to the survey.
- Report Distribution – When users want to share results widely across an organization, or customize reports for different audiences or even for each individual, EFM report distribution can save time and energy.
- Quotas – When users want to limit participation in surveys, for purposes of offering incentives or for balancing responses by key segments, they can easily set survey quotas.
- Panel Management – When customers or other key constituencies are complaining about receiving too many surveys, panel management can be used to set up limits on frequency of surveys.
- Page Rotation – When respondents complain about surveys that are too long, page rotation is one tool for shortening the questionnaire from the respondents’ perspective.
- User Management – A key part of sharing usage of surveys throughout an organization is defining different roles for different types of users: some can write questionnaires, some can create reports, some can only view reports, and so on, as appropriate.
- Workflow Management – Users can draft surveys and then submit them to reviewers to edit, approve and publish, thereby by ensuring that research best practices are followed.
- Online Communities – Since 2008, EFM systems have expanded to support online feedback communities, providing better qualitative research than ever before.
• Advanced Branching – As questionnaires grow in sophistication, authors often add more complex rules around which questions are shown to respondents, so that they are answering only the most relevant questions and do not have to manually skip over questions that aren’t appropriate to them.

• Response Randomization – Finally, to remove any order bias, the choices for questions can be shown in random order.

If your organization has any of the above needs, it might be time to consider moving up from survey software to enterprise feedback management. If you’re interested in learning more, schedule a live demo at http://www.vovici.com or give us a call at +1.703.481.9326.
About the Author

Jeffrey Henning was a consultant with BIS Strategic Decisions (now part of Forrester Research) from 1987-1994, providing market-research and strategic-planning consulting to high technology firms including Apple, IBM and Canon, as well as bygones like Compaq, DEC, AST Research and Packard Bell.

In 1993, Jeffrey co-founded Perseus Development Corporation with Rich Nadler to deliver "Customer Satisfaction in a Box", automating market research through software applications. In 1997, he programmed the first dedicated web-survey software product, Perseus SurveySolutions, which won the PC Magazine Editors' Choice award in 2000. With 300 competitors nipping at the heels of Perseus, he and Rich Nadler re-invented the market in 2004, coining the term Enterprise Feedback Management (EFM) to describe systematic, organization-wide leveraging of attitudinal data. The term was adopted by Gartner in 2005.

In 2006, Austin Ventures acquired Perseus and WebSurveyor and merged the two companies into Vovici Corporation. For Vovici, Jeffrey writes the market-research blog “Voice of Vovici” and, with Brian Koma, writes and delivers webinars on general research issues.