



# OPERATIONS AND RESEARCH HANDBOOK

**Intergam Technologies Corporation, 2005**

## SELECTING A MARKETING RESEARCH PROVIDER

### Comparative Framework

According to the Alliance of International Market Research Institutes (AIMRI):

- In the USA, online research represents 23% of total survey work—expected to grow to 30% by 2006\*
- European online research increased by 44% in 2003 and currently represents around 5% of European Research\*\*
- The adoption of online methodologies is one of the major factors driving overall survey growth\*
- International research growth is fuelled by online research and the relative ease that it offers for reaching international audiences

Sources:

\* L. Gold –Inside Research, in Research World July/August2004;

\*\* Inside Research

### Key Issues

Different online research providers offer varying skills, experience, expertise, and facilities.

At Intergam Technologies Corporation, we adhere to international standards of cooperation reflected in the rules and philosophies of such recognized organizations as ESOMAR. We strive to establish continuing relationship between client and provider, which leads to better mutual understanding and confidence. The client will come to appreciate the particular strengths and skills of the provider and of the individual researchers within it, and be able to assess the levels of contribution he can expect them to make to his own thinking and operations. The provider will come to understand in much greater depth the client's products and markets, the problems which face him in his marketing planning and activities, and his general ways of working.

This makes it all the more important to select a provider carefully and sensibly in the first place. What steps can the client take to decide which is the most appropriate provider to choose from any short-list?

There are a number of checks that a client can use to assess a provider's general level of competence and its likely suitability for a specific project:

### **1. Basic information about the provider.**

- its status and experience as a research provider
- its international links (research and other)
- the kinds of work it undertakes and the types of client for whom it works
- its knowledge of specific markets or research methods
- any possible conflicts of interest
- its conformity to professional Codes of Practice, and its guarantees of confidentiality and security

### **2. Information about the provider's staff.**

The quality of a provider's services very largely depends on the quality of its staff:

- the skills and experience both of top management and also of the researcher who would look after the client's own projects
- where relevant, the provider's understanding of marketing as well as of research methods
- the availability of more specialist skills when needed

### **3. Information about the provider's facilities, operating procedures and Quality Management System.**

- the way in which the provider sets up a project
- the nature of its field organization, and the quality controls it applies to data collection
- its sampling methods
- the way in which it handles data processing
- the kind of report it normally provides, and the levels of interpretation and recommendations which are available if required
- the arrangements for presentations of the findings if these are needed
- any special research facilities and/or techniques offered by the provider
- normal contractual (including billing) arrangements
- the provider's quality assurance undertakings and quality management systems
- the provider's systems for client satisfaction management, including any regular checks and its procedures for dealing with complaints

ITERGAM TECHNOLOGIES CORPORATION PROVIDES ALL OF THE ABOVE INFORMATION UPON REQUEST WITHOUT CONCEALMENT OR PREJUDICE.

## **SELECTING A PANEL PROVIDER**

### **Key Issues**

Even the best research providers cannot deliver quality marketing data if its source does not meet the highest standards and selection criteria.

The world of panel research is now largely associated with and dominated by online access panels, of which the processes and methods are moving forward rapidly. Within the foreseeable future this relatively new sector of the market research industry will reach maturity and the signs are already visible. The market has globally adopted the use of online panels as a major source of data; hence concerns regarding quality are ever increasing.

### **Impact of the Web**

Since the early 1980s consumers around the world have been bombarded with computer-aided telephone research. In the mid 1990s the 'abuse' of the respondent's goodwill coupled with the barrage of unsolicited marketing initiatives resulted in a rapid decrease in the public's willingness to participate in market research. Around that same time, the web, a new modality, was gaining ground and the research industry began to recognize the promise the web held for gathering data and consumers' opinions.

### **Dramatic increase**

In a short span of time we have seen the use and size of access panels increase dramatically. Today, all of the major research agencies are confronted with the make-or-buy decision. The mid-size research agencies have quickly come to understand how the availability and use of panels has 'democratized' the international research scene. End-clients are more and more convinced of the reliability of results and the efficiency the use of access panels provides. Last, but certainly not least, consumers can share their opinions and views with us in a less intrusive, more respondent-centric way, and, with confidence that their personal details will not be used for any other purposes.

### **Intergam's clients and partners often face the following questions**

- Should we use a third-party panel or build our own panel?
- What determines the success of a custom built panel?
- What effects do rewards and incentives have?
- What is the optimal length of an online questionnaire?
- How many times should the same panelist be invited to participate?
- What are the latest means of recruiting panelists?
- What effects do panel policies have on panelist behavior and response?

## **ASSESSMENT OF PANEL QUALITIES SUCH AS SIZE, RECRUITMENT, SAMPLING, RESPONSE, UPDATING AND USAGE**

The quality of a panel influences the validity and reliability of the data which is why organizations like ESOMAR have been working to establish a set of access panel industry standards. At Intergam, we adhere to the view that the worldwide character of the Internet makes international consistency of definitions essential.

In selecting the panel providers, Intergam assesses the provider's ability to gauge the role of Internet population maturity in online research. Key maturity indicators include:

- Penetration level and growth
- Gender divide
- Age spread
- Social class spread
- Regional spread (urban vs. rural)

### Examples:

- Women in USA represent 51% of the online population
- In Italy they represent 46% of the online population
  
- Over 50 year olds in USA represent 34% of the online population
- Over 50 year olds in France represent 15% of the online population
  
- Total World Population: 6,390,150,000
- Total Internet users: 800,041,000
- World Internet penetration: 12.5 %
- Europe Total Population: 730,894,078
- Europe Total Internet users: 230,886,424
- Europe Internet penetration: 31.6%
- Western and Northern Europe Internet penetration between 40% and over 60%
  
- Asia Total Population: 3,607,499,800
- Asia Total Internet users: 257,898,314
- Asia Internet penetration: 7.1%
- Southeast Asia and Japan Internet penetration: over 60%
  
- North America Total Population: 325,246,100
- Total Internet users: 222,165,659
- North America Internet penetration: 68.3%
  
- Latin America/Caribbean Total Population: 541,775,800
- Total Internet users: 8,068,919
- Latin America/Caribbean Internet penetration: 10.3%

Sources: NetObserver, Novatris 2002–2004; Internet World Stats

## **Intergam's approach to panel acquisition**

At Intergam we believe that the quality of panels is of paramount importance for the quality of data we collect online. Our approach to panel acquisition and management is based on our experience with different panel providers, which allows us both flexibility and quality guarantee of fitting choices for the client's needs. Our panel acquisition and management are premised on the following principles:

1. We select panel providers with a proven track record of:
  - accurate tracing of quotas
  - sampling experience
  - instant feedback in the course of the survey regarding filling of quotas, gauging the incidence levels, and quality monitoring
  - ability to constantly monitor the survey progress and notify Intergam immediately in case any of the respondents experience technical difficulty with the survey
2. Our panel providers maintain single focus and wide scale of their business providing Intergam with higher quality cost efficient panels.
3. We evaluate panel providers based on their accuracy, attention to detail and commitment to quality.
4. We require full disclosure. There can be no "black box" processes.

Intergam keeps track of the panel providers' development in the overseas market. This research, for example, allows us to select providers who have built online panels in Japan and have the ability to translate surveys into English and Japanese.

We also periodically evaluate the quality of panels to which we have access by comparing the panel's demographics with the census data for the geographical unit. For example, below is an example of such comparison for one of our provider's panel in France.

France Panel Data								
	Absolute numbers			Proportion in all users			Proportion in this age group	
	Male	Female	Total	Male	Female	Total	Male	Female
13 and younger	527	543	1070	0.24%	0.25%	0.48%	49.25%	50.75%
14 - 17	4237	3627	7864	1.91%	1.64%	3.55%	53.88%	46.12%
18 - 24	28382	34408	62790	12.82%	15.54%	28.35%	45.20%	54.80%
25 - 29	19428	26980	46408	8.77%	12.18%	20.95%	41.86%	58.14%
30 - 34	15392	19762	35154	6.95%	8.92%	15.87%	43.78%	56.22%
35 - 39	9479	11904	21383	4.28%	5.38%	9.66%	44.33%	55.67%
40 - 44	6572	8249	14821	2.97%	3.72%	6.69%	44.34%	55.66%
45 - 49	5074	6250	11324	2.29%	2.82%	5.11%	44.81%	55.19%
50 - 54	3889	4944	8833	1.76%	2.23%	3.99%	44.03%	55.97%
55 - 59	3209	3637	6846	1.45%	1.64%	3.09%	46.87%	53.13%
60 - 64	1637	1323	2960	0.74%	0.60%	1.34%	55.30%	44.70%
65 and older	1309	707	2016	0.59%	0.32%	0.91%	64.93%	35.07%
	99135	122334	221469	44.76%	55.24%	100.00%		

Didn't answer (for age or gender): 13648

Reference data								
	Absolute numbers			Proportion in all users			Proportion in this age group	
	Male	Female	Total	Male	Female	Total	Male	Female
13 and younger	4956550	4727493	9684043	8.47%	8.08%	16.55%	51.18%	48.82%
14 - 17	1572193	1502101	3074294	2.69%	2.57%	5.25%	51.14%	48.86%
18 - 24	2706126	2628525	5334651	4.63%	4.49%	9.12%	50.73%	49.27%
25 - 29	2091373	2086403	4177776	3.57%	3.57%	7.14%	50.06%	49.94%
30 - 34	2110021	2128908	4238929	3.61%	3.64%	7.24%	49.78%	50.22%
35 - 39	2150411	2189076	4339487	3.68%	3.74%	7.42%	49.55%	50.45%
40 - 44	2096099	2148598	4244697	3.58%	3.67%	7.25%	49.38%	50.62%
45 - 49	2095742	2126074	4221816	3.58%	3.63%	7.22%	49.64%	50.36%
50 - 54	1985266	1984086	3969352	3.39%	3.39%	6.78%	50.01%	49.99%
55 - 59	1371578	1385938	2757516	2.34%	2.37%	4.71%	49.74%	50.26%
60 - 64	1313366	1412859	2726225	2.24%	2.41%	4.66%	48.18%	51.82%
65 and older	3969218	5771091	9740309	6.78%	9.86%	16.65%	40.75%	59.25%
	28417943	30091152	58509095	48.57%	51.43%	100.00%		

## **Panel Capabilities**

Our carefully selected panel providers ensure access to a multi-sourced Internet panel of people interested in participating in online research. The panelists are eager to share their opinions on a wide range of issues. Panelists include adults, children, teenagers, seniors and other populations that are difficult to reach online.

Intergam's panel-provider affiliations allow us both exceptional coverage of households in global consumer markets and in-depth insights into highly specialized segments. Intergam works with over twenty panels, including those from top-tier panel providers in the EU, US and worldwide to get access to as many as 25 million panelists. This combined panel allows access to diverse, demographically representative survey research data in all major world markets. Our offices in Europe and Asia bring our research into effective proximity with the populations under study.

The combined panel size and quality allows us to support projects with detailed quotas across gender, age, ethnicity and geography. Extensive geographic sampling capabilities are available - ZIP code level, to MSA, DMA, county, state and all standard selects.

## **Panel recruitment**

Intergam uses multi-sourced panels built with a variety of methodologies including email campaigns, direct mail, telephone recruitment, online properties, banners and referrals. Our panelists are recruited exclusively using permission-based techniques and never through unsolicited e-mail.

During the join process, a respondent is asked basic demographic questions - age, gender, occupation, income, marital status, education, household members, ethnicity, and address.

This multi-sourced approach has several advantages:

- There is no bias towards any particular type of net user; we have a good mix of those new to the Internet and more experienced users, heavy users and light, those with broadband connections and technical expertise, and those with less, etc.
- If one source becomes unavailable, the composition of the panel is not materially changed. If a panel has 40% of its members coming from one source, there is a potential risk of inconsistent results should that source no longer be available.

The intrinsic value of research is promoted in communications with panelists via newsletters, join pages, responses to panelists questions and elsewhere. Panelists are assured that no one will try to sell them anything and that

published survey results are anonymous and that their opinions are important.

Panelists have direct access to the panel provider at the end of every survey and are encouraged to provide feedback regarding a particular study or their overall experience. In order to maintain up-to-date information on each panelist, panelists are provided access to a secure web site where they can update their profile.

Special attention is paid to communications with the newest panelists. They receive custom messages and surveys in their first days, so that they have an understanding of the process right from the beginning and become active survey responders right away.

Panelists receive a welcome message on joining, which offers them the chance to opt out of the panel. Panelists from time to time receive separate screening surveys to identify their automotive characteristics, ailments/medical conditions, shopping preference etc. This allows to direct invitations to match panelists' interests, making for more involved and knowledgeable respondents. Communication with panelists is carried out in their native languages.

### **Cleaning the Panel**

Maintenance of an active, responsive panel is ensured by rigorous panel cleaning. Panelists are removed if:

- They have been a member for 8 months, have received at least 15 surveys opportunities and responded to none.
- Their mailbox is full after 3 attempts at delivery.
- The panelist has joined with an undeliverable e-mail address, or that address becomes undeliverable.
- The new panelist record is a duplicate of an existing record.
- The panelist has joined with suspicious or erroneous data; for example an unusual combination of ethnicities, or unlikely combination of education and profession, etc.

In addition, panelists have the opportunity to automatically remove themselves with every communication and survey invitation.

### **Deliverability**

The delivery rate of our panel providers' e-mail invitations is exceptionally high, with a successful delivery rate of over 95% and resilience against the main spam-filter software programs currently available.

At Intergam, we monitor our panel providers' best practices, which include maintaining white-listing with the major ISPs, immediate removal of panelists who no longer wish to participate, monitoring the flow of outbound e-mail and keeping up to date with all current ISP requirements for successful mail delivery.

### **Panel Usage**

On average, our panelists are invited to 2 or 3 surveys a week and complete one survey a quarter. Some segments of the panel, such as young males, ethnic minorities or high-income panelists, are used more frequently than this.

### **System Reliability**

Our panel providers use a reliable, scalable RAC system, so there are no downtimes or bottlenecks to prevent panelists from reaching our survey.

### **Incentives to Help Achieve Quality Results**

Our panel providers offer a variety of incentives that attract even less responsive panelists to participate in studies. For example panelists usually respond to a sweepstake incentive for surveys that run less than 20 minutes. All panelists who complete a survey are able to participate in the monthly \$10,000 prize drawing. For surveys running twenty-five minutes or longer, added incentives or individual incentives can be offered. Other options such as project reward pools or charitable donations have been used successfully.

All of the panels used by Intergam have been deeply profiled and have very high response rates ranging between 20% and 30%.

### **Security**

Proprietary software capabilities prevent respondents from multiple completion of the same survey, or entry into surveys where they were not invited, or forwarding surveys to others for participation.

### **Project Flow & Response Rates**

A panelist receives their invitation from the same e-mail address for every study. In the invitation is a URL that links the panelist to the "welcome page." Upon clicking on the link, the panelist sees a hyperlink reading "Click here to take this survey"; this hyperlink masks the client survey URL and checks that the person is a panelist who has been invited to that study. Once a panelist clicks on the hyperlink, they will be sent to the host web site to begin the study.

Responses can be expected quickly. Most of the time 80% of responses are

returned in the first 48 hours, and trickle in slowly after that. As a rough estimate, 10% are returned on day three, 5% on day four, and 2% on day five. If we need to complete your project faster, or if actual incidence falls below expected, we will request that panel provider over-sample the study to meet our clients' deadlines.

The amount of time a survey remains in the field is completely up to the client. Typically, a survey remains open for 5 days. Upon completion of the survey, Intergam can keep it online for client's own use and evaluation.

### **Additional considerations: Response-frequency bias**

Recent studies explored the issues surrounding frequency of participation in Internet surveys and their potential affect on survey results:

- Frequent responders were more likely to be employed part-time, but no more likely to be unemployed, so did not conform to the portrayals of frequent online survey takers as individuals attempting to make a living from filling out questionnaires;
- As expected, groups likely to be targeted more frequently (e.g., Hispanics and African Americans) appeared in higher proportions in the frequent responder group;
- Frequent survey takers had slightly more exposure to certain types of media and indicated slightly more aided awareness across all brands.
- Inexperienced panelists were more positive than very experienced panelists on measures relating to intent to buy. Interestingly, responses from frequent responders were more in line with actual consumer behavior than responses from less frequent responders;
- Participation in a number of surveys was a more sensitive measure than length of time a respondent is on the panel;
- Experienced panelists did not respond differently on all measures. The differences were restricted to questions dealing with enthusiasm about a concept; and
- Very experienced panelists moved through the survey somewhat more quickly than new panelists.

This research underscores the importance of maintaining a stable panel and using a panel that can provide a consistent mix of respondent experience levels over time. The best protection against potential response-frequency bias is for researchers to work with trusted, large, well-managed panels, where panel recruitment, composition, and panel management practice is fully understood by researchers.

## **BUYING ONLINE SAMPLE WITH CONFIDENCE**

The more the panel company knows about a panelist up front, the more relevant on-going communications with that panelist can be.

Panels that are committed to maintaining the deepest profiling information on it's panel members so that panel-wide canvassing is kept to a minimum and survey relevancy, interest and quality results are maximized.

During the panel enrollment process, strong panels capture the most detailed demographic, psychographic, and geographic profile information from each panelist. Some even offer over 300 different segmentation variables.

It is important to analyze how each question is asked during panel registration. The industry prefers to see over 90% of the questions as "select only one answer" type questions that force a respondent to choose the "best" answer that describes them.

In the next section we will expand on three more important quality concerns:

### 1) Recruitment:

The quality and integrity of research begins with the way participants are recruited and managed. We believe that the best way to recruit members is by having a standardized member enrollment experience. It is not to acquire other panels and combine methodologies and or adhere to substandard highly structured enrollment strategies. Beware of those that combine counts from other panels that they may have access to. Also beware of counts that may appear to be inflated due to the panel company counting household members who have not been enrolled and profiled into the panel.

### 2) By Invitation Only:

One of the best ways that panel recruitment can occur is through an invitation only process. We believe that open recruitment techniques and enrollment processes such as banner ads and co-registration sites are allowing large-scale self-selection bias in their panel and attracting professional survey takers. In fact, some of our suppliers have found that "open" approaches show highly skewed demographics towards young, female, lower income. This open recruitment also allows for a large amount of membership duplication across other panels.

### 3) Balanced Recruitment:

In order to maintain as balanced of a panel as possible, it is important to recruit via a mix of both offline and online. Examples of this are Solo email invitations and other targeted online modes as well as offline direct mail inserts and RDD telephone recruitment.

The bottom line is all panel recruitment methodologies must comply with CASRO guidelines. <http://www.casro.org/codeofstandards.cfm>

#### PANEL MAINTENANCE:

The best panels profile information that is fresher than the competition.

\* Well-run panels utilize their participation rules and their proprietary systems to maintain their data. One system currently in place by a panel is called Dynamic Profile Enrichment. This system allows the panel to achieve industry-leading levels of panel maintenance and data freshness.

\* Profile Enrichment capability is an intelligent database algorithm that periodically presents panelists with opportunities to update certain aspects of their profile.

Profiling questions are presented to panelists based on a ranking that comprehends the amount of time since a profile question was last updated and the likelihood that the question's answers will have changed. This method is state-of-the-art in terms of panel profile refreshment and maintenance.

\* This system of panel enrichment is used to maintain the freshness of panel enrollment questions, as well as build deeper understandings of each segment of a panel by introducing customized questions for future targeting.

#### 4) Panel Composition:

As previously mentioned, the best way to eliminate professional survey takers is to not attract them in the first place. However, the best panels use additional methods to identify professional survey taking behavior within its panels and prevent professional survey takers from receiving future survey opportunities.

Techniques for spotting PST (Professional Survey Takers):

- Obviously inconsistent profiling answers
- Straight-lining answers or "flat-raters"
- Answering surveys in too short of timeframe
- Client-reported complaints or observations
- Blind pre-screening of study candidates

## 5) Verifiable panelists:

- Collect a physical address on each member who enrolls in the member panel
- Match the physical address against US Postal information to verify address validity
- Only accept valid registrations from those using a valid and unique email address in order to receive market research survey opportunities
- Do not send email invites to email addresses that have "bounced-back" or are no longer active

## 6) Deep Profiling:

Panelists' activity should be tracked for quality purposes.

- \* A good panel tracks the activity level of each panelist to ensure that inactive panelists are periodically phased out of receiving survey opportunities.
- \* Conversely, a good panel is able to monitor and prevent individual panelists from participating in an unhealthy amount of research studies.
- \* A good panel tracks each member's historical level of survey participation by topic area, and is able to prevent members from receiving invitations to participate in similar surveys until a proper amount of time has passed.

## Normalization and Representativeness:

- \* A quality panel scientifically manages the demographic make-up of its panels using pre-recruitment targeting and a "by invitation only recruitment" method. Strong panels are able to do this by working with its diverse set of sourcing partners up front to invite individuals that fit the current normalization needs of its own panel.

Panel companies cannot achieve the same level of normalization if their open recruitment methods do not allow them to determine the demographic make-up of their panel until after members have joined.

- \* For example, some panels are purposely constructed to be 56% male and 44% female. Accounting for the known female gender response bias, this allows their panel to consistently achieve very close to a 50/50 gender split when it samples its panel naturally (e.g. without weighting or special targeting).

- Caution: Today it is common to encounter panel providers who are not able to control their panel enrollment up front and have panel constituencies of 30% male and 70% female. When the female gender response bias is observed, the sample results are typically skewed up to 20% male and 80% female.

### **Final considerations: The difference of online research**

The difference of online research stems from the facts that:

- survey questionnaires are self-administered, and
- being Internet users, the respondents might be somehow attitudinally or behaviorally different from the target audience (perhaps an issue when the majority of the total population are not Internet users)

Self-completion of online surveys can be a positive attribute resulting in more openness and honesty for certain types of questions or subject areas. Per the second issue, the penetration of the Internet is changing rapidly and may be at different stages of development in different countries, social groups or among users of certain products. Before commencing a research project, we need to assess how these potential respondent differences will affect our study.

In the recent study by Lightspeed Research on the difference between online panelists and people who do not have access to Internet, a nationally representative sample of 1,000 interviews were conducted in each of the UK, France and Germany. The project covered behavioral, attitudinal, usage and awareness questions. The study findings provide an interesting insight into the key questions confronting clients considering online research.

In terms of fundamental demographic measures (presence of children, working status) online users are quite similar to the general population. Yes, online users represent a generally younger cross section of the market. However, with over half the UK adult population with Internet access and France and Germany not being far behind, online users represent an increasingly significant proportion of these societies.

Do differences vary by product category? The answer is yes. Variations do occur where you might expect them, but not as much as one might think. The key is to think about the category you are researching and be aware of the potential impact or skews that might arise.

If we are talking about chocolate or detergents (or other basic consumer goods), there is no difference. But then, why should there be? Being online should not have a direct impact on the way we buy Mars bars or do our washing.

Interestingly, there are also few differences in the way online users consume media. We might think that Internet users would watch less TV or read fewer newspapers – that has not been found to be the case.

There are slight differences in mobile phone usage and finance. These are not major, however, driven by online users having a better awareness (rather than usage) of mobile Internet and a naturally higher usage of online banking – issues that we may need to consider, but which may not preclude us from conducting online research with these groups.

If we look at technology categories, such as the use of digital cameras and web usage, then online users cannot represent usage on a national basis. However, given the specific focus of these areas, we may only want to speak to subgroups of respondents who have access to this technology – here online research offers an extremely effective method of access.

Do differences vary by Internet penetration or country? Yes, and differences are greatest where the Internet penetration is the lowest. However, if we look at the consumer goods categories, we see no significant differences. So, even in a lower penetration market such as France, an online approach may be perfectly viable.

The Big Question: At the End of the Day, Do We Get the Same Answers?

Generally, yes – we can feel comfortable with this approach. We might get one or two brands shifting slightly, but rank orders on awareness and usage questions tend not to be affected, nor is media consumption. As mentioned above, the key is to consider the specific category to be covered.