

Market Research on the Web: Guidelines for Success

The Web is altering the landscape of business in many ways. One of those ways is in marketing research. Marketing research is a tool for businesses to gather vital information on which to base sometimes critical business decisions...

Author: Paul Richard "Dick" McCullough

Version of this article were published
in the August 31, 1998 issue of the
STRATEGY MAGAZINE and in the
October/November 1998 issue of the
COMMUNICATION WORLD MAGAZINE

Market Research on the Web: Guidelines for Success

The Web is altering the landscape of business in many ways. One of those ways is in marketing research. Marketing research is a tool for businesses to gather vital information on which to base sometimes critical business decisions. One complaint with traditional marketing research is that the value of the information often isn't worth what the research cost. Another complaint, particularly in industries with short product life cycles, such as high tech industries, is that the research process takes too long.

Web-based surveys offer tremendous potential to the business community. Web-based surveys are potentially faster to conduct, generate more accurate information and are cheaper by several magnitudes. Because of the Web's tremendous advantages over traditional research methods, more companies than ever now have the opportunity to conduct formal market research. Used properly, Web-based market research will in the near future vastly increase the amount of customer feedback on which managers in all industries base critical business decisions.

But where do you start?

There are very few steps you actually need to follow to successfully conduct a Web-based survey. Here they are:

- Understand clearly what questions you want to answer
- Know who you want to talk to
- Write a questionnaire and put it on the Web
- Build traffic to that questionnaire
- Analyze the data

What is it you want to know?

You'd be surprised how many Fortune 100 companies mess this one up. Sounds simple enough. But a common mistake is to assume you know the answer and jump right into writing a questionnaire. If you want to be happy with the results you see at the end of the project, it is critical that you stop, take a deep breath, and explicitly write down your objectives. Once committed to paper, it often becomes apparent that these really aren't the issues you need to answer but something slightly different. Keep writing and rewriting these objectives until you are certain that if you had the answers to these exact questions you could make the business decisions you need to make. And don't try to trick the system by making broad, general questions like "what should I do to increase profits?" I'm talking about specific, measurable questions like "Do my customers prefer to pay \$5 for a product with feature x or \$10 for a product with feature y?" Specific, measurable and useful. That's your goal.

Who is it you want to talk to?

This question is particularly relevant to Web-based surveys because, increasingly, everyone and his grandmother are finding their way on to the Web. It's clearly not the haven of geeks and the army any longer.

But this is also one of the areas where Web-based research really shines. Low incidence samples, say people who raise orchids as a hobby, are very expensive to reach the traditional way. One would need to make a lot of telephone calls to generate 300 completed surveys from a group of people that represent only 0.1% of the total population. On the Web, you don't find these hard-to-find people, they find you. How? By visiting Web-sites relevant to their interests, such as orchid growing, genealogy, ice hockey goaltending, ballroom dancing, etc.

Write a Web Survey!

This is actually the easy part. Web surveys are very similar to traditional surveys. The only real difference is that Web surveys have substantially more flexibility and control. For example, I can program my Web survey to check your answers to make certain they fall in given ranges (no 10,000 lbs. respondents, for example). I can also display color photography or video clips anywhere inside the survey. But for simple surveys, think of Web surveys the same way you would traditional surveys. Once you know what it is you want to learn and whom you want to talk to, if you just don't think too much, you will quite naturally write a decent survey. I do have a few helpful hints, however:

- **KISS** (Keep it simple, stupid!) My best advice for any survey, but especially for Web-based surveys, is don't try to do too much. Be as simple and straightforward as possible. There are certain issues that resist this philosophy rather well, e.g., pricing, new product configuration, brand imagery, etc. For issues that advanced, you will need to employ techniques that go beyond KISS. But for most issues, simple is definitely better.
- **Don't ask what they can't answer.** This is the flip side of the KISS coin. There are some questions that you may want to answer that your customers simply don't consciously know the answers to or that they may be unwilling to answer truthfully. I have seen numerous examples of "Did this ad make you buy more of the client's products?" This is a really stupid question. It's a good research objective, but a really stupid survey question. Why? Because most of the time, the customer doesn't know the true answer. Advertising works subconsciously and long-term. It's like asking, "Did your toilet training experiences as a child affect your sex life as an adult?" You can ask the question. You may want to know the answer. And, unfortunately, you will get an answer (respondents will give you an answer to any question, no matter how stupid). But it won't be the truth.
- **Don't sell.** The other big mistake is writing leading questions. If the respondent can figure out what you want the answer to be, he or she is most likely to give you that answer. So if they know who the client is, the client will get higher scores. Use neutral language. If you need to describe a product to gauge interest, be as boring as you can (for some of us, this part is really easy!)

And put it on the Web?

Sorry, but I don't do windows (no pun intended) and I don't write html, Java, Perl and whatever else they're using now. And neither should you. When you get this far, you'll just have to give you survey to a cgi programmer who has some experience with this sort of thing. He or she can put your masterpiece on the Web in less than an hour. Since I've got several of these types hanging around my

office, pretending to work, I've noticed they all tend to be way too young. When I was a kid we talked about straight sixes, overhead cams, and Venturi ports. Now, there are kids in my daughter's grammar school putting up their own Web pages! How did I get old so fast?

If you build it, will they come?

Now, you've got to get someone to fill out this brilliant piece of work. One of the problems of the "old" way was you had to get just the right people to fill out your survey because you paid for each survey piecemeal. Another advantage of the Web. Surveys are free! It doesn't cost you a penny extra, once a survey is up, to let everyone in the universe fill it out if they want to. Just be sure you have the right questions in your survey so you can screen out everybody whose opinion you do not want.

So you can't have too many people filling it out. But you can have too few. There are only a few ways to get traffic to your Web survey:

- Banner ads on Web sites
- Email invitation
- Telephone invitation
- Email panels

My favorite approach is banner ads on Web sites. By this, I mean placing a banner ad on a Web site where your customers are likely to be. This ad invites them (and sometimes offers them incentives) to jump to your survey by clicking on the ad. This is a good way to get people with specific interests. We have done this for video game players and genealogy buffs, for example.

You can also buy email lists just like you buy mailing lists. The bad news is many people get much more upset when they get junk email than when they get junk mail. And often, unsolicited surveys are considered junk email. But if you have an email list from some other source, say from registration or warranty cards, and you identify where you got their email address up front in your invitation, respondents tend to respond very well. We typically get 15% to 25% response rates from these types of email invitations with virtually no spamming complaints.

You can also call people up, ask them if they have Web access and invite them to your survey. This oftentimes works great, too, but costs some money. Still cheaper than the "old" way, however.

Finally, some companies are developing email panels, analogous to the consumer panels that have been around forever. The same problems and concerns most of us have had with consumer panels (that they aren't normal people) applies to email panels. Using a panel would also cost you some cash and, generally speaking, I don't recommend them.

Analyze your data.

Another big plus for Web-based surveys. I won't go into the details here, but Web surveys are potentially much more accurate than paper and pencil surveys. Data processing is much, much, much (get the idea?) faster than paper and pencil and also much cheaper. On all our surveys, for example, we publish the results online instantaneously. That is, the client can go to a secure Web site and view the latest results 24 hours a day. If a respondent completed a questionnaire a minute before, his or her results will be included in the summary data the client views. So data analysis is cheaper, faster (much faster) and more accurate.

That was the good news.

The bad news is that Web surveys are not for everybody. Not just yet. The central weakness right now with Web-based surveys is sample. Is the sample that is generated for your Web-based survey representative of your target market? If not, your results could be misleading. We recently completed a study for a consumer electronics firm where we had two samples of registered owners of the client product. One sample was of owners who had Web access and the other sample was of owners who did not. The first sample was surveyed on the Web. The second sample was surveyed by telephone. Although somewhat disappointing, but not altogether surprising, we found that not only were the demographic profiles of the two samples quite different, but their product preferences and perceptions were, as well.

However, for many products, Web surfers are the target and this sampling issue is moot. For the others, although estimates of current usage vary widely, all studies conclude that the number of people online is growing explosively. With the introduction of Microsoft's WebTV, Oracles Network Computer, DSL connections, home satellites and two-way digital cable all here or on the immediate horizon, as well as the plummeting cost of desktop PC's and modems, Web access will certainly skyrocket over the next few years. It is easily imaginable that within five years, Web-based surveys will be viable for virtually any consumer product category in America.

If the Web is right for you and your target customer, it offers you an amazing ability to talk directly to your customer in a way that is faster, more accurate and far cheaper than ever before. We are witnessing the dawning of a new and exciting era in business. Web-based market research is revolutionizing and democratizing the marketplace. Don't be left out.

© 1998 / MACRO Consulting, Inc.

Version of this Article were Published in the August 31, 1998 issue of the STRATEGY MAGAZINE and in the October/November 1998 issue of the COMMUNICATION WORLD MAGAZINE



We are an independent **marketing research consulting firm** dedicated to helping you make the most informed, insightful marketing decisions possible. We specialize in technology, consumer, and new product research, and are well recognized for our **State-of-the-Art Research** techniques.

Ultimately, we provide more than just technical expertise. We focus on developing **pragmatic solutions** that will have a positive impact on the profitability of our clients.

CONTACT US:

Telephone: 650-823-3042

General Inquiries:
info@macroinc.com

Advanced Analysis Inquiries:
analysis@macroinc.com

richard@macroinc.com

www.macroinc.com