



A Newsletter on the State of the Art in Marketing Research

## A Note from our President

If your schedule is anything like ours, you probably have trouble finding the time to look at all the magazines and journals that feature research studies on marketing research methodology. However, when designing marketing research studies, it is important to know which techniques are best to use to accomplish your stated objectives. Therefore, we have decided to help you by searching current issues (past 12 months) of a dozen magazines and journals for empirical studies on research methodology. When we find articles that are research based, we will summarize the key conclusions for inclusion in the newsletter. Hopefully, this semi-annual publication will help you stay abreast of some of the developments in marketing research methodology.

You can also access the newsletters on our web site at [www.syndics.com](http://www.syndics.com). If you have business associates who you think would like to receive the newsletter, e-mail their address to [jkbader@syndics.com](mailto:jkbader@syndics.com). Also, e-mail us if you would like to receive future newsletters electronically.

Joe Welch, Ph. D.  
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## In this issue ....

- ***Development of a Standard E-Mail Methodology***<sup>1</sup>

A recommended methodology for improving e-mail response.

- ***Does the Payment of Incentives Create Expectation Effects***<sup>2</sup>

A study of the effects monetary incentives have on subsequent cooperation and response.

- ***Using Conjoint Analysis for Designing Advertisements***<sup>3</sup>

Conjoint analysis was used to identify the optimal design of health care advertisements.

- ***Latent Segmentation Models***<sup>4</sup>

A new tool for segmenting markets.

- ***Honorable Mentions***

Brief descriptions of other interesting reads.

- ***Development of a Standard E-Mail Methodology***<sup>1</sup>

E-mail surveys offer a variety of benefits including timing and expense. The authors recommend a methodology for improving e-mail response, presenting an experiment that concluded:

- Response rates comparing e-mail and postal mail are similar.
- E-mail prenotice was more effective than mail prenotice in stimulating response.
- E-mail responses were returned faster than mail responses (Ave. 9.2 days vs. 14.4 days, respectively).
- E-mail results in more complete questionnaires and lower item non-response.



- Lengthier responses to e-mail open-ended questions were observed.

In order to maximize an e-mail methodology, the authors offer the following recommendations:

- E-mail a pre-notification several days before e-mailing the questionnaire, as people are less likely to respond without pre-notification.
- E-mail a reminder 2-3 days after the questionnaire is e-mailed, including a replacement questionnaire, and e-mail a follow-up questionnaire a week after that.
- Use a mixed mode strategy, mailing questionnaires to people who do not have e-mail.
- Include a postal address within the e-mails for people who want to print and return the questionnaire by mail.
- Because of difficulties users may have with e-mail formats and navigation, Internet surveys were suggested as an effective alternative.

- ***Does the Payment of Incentives Create Expectation Effects***<sup>2</sup>

Payment of incentives and multiple respondent contacts (e.g., multiple mailings) have been most effective at stimulating response rate. The three attributes of incentives that are most effective at boosting response are:

- Prepayment.
- Cash.
- Larger payments.



However, there is concern that incentives may create problems with response quality and expectations of future payments (i.e., expectation effects). The authors present a study of the effects of monetary incentives on the creation of respondent expectations of payments for participating in future research. Also, the study examines the effect of incentives on response quality.

The key results of the study are as follows:

- People who received an incentive were more likely to agree that “respondents should get paid for doing a survey like this.”
- The more people are paid, the more likely they are to agree that “respondents should get paid.”
- Respondents who were paid an incentive were more likely to respond to a subsequent wave of the survey, even when they received no further payment. Perhaps they applied payment for their initial participation to both waves.
- The expectation that people should be paid for completing a questionnaire had no impact on response quality. Item non-response and the distribution of substantive answers to key questions were used as the measures of response quality.
- Payment of incentives resulted in a more positive feeling about the value of “surveys like this.”

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- ***Using Conjoint Analysis for Designing Advertisements***<sup>3</sup>

Due to the increase in competition for hospital services, health care organizations are implementing marketing and advertising plans more frequently. However, the effectiveness of such plans is sometimes questioned. In

response, the authors present an empirical study investigating the influence of various advertising elements on preference and perceptions of attractiveness.

Conjoint analysis was used to identify the optimal design of health care advertisements. Respondents were asked to evaluate various advertisements on their attractiveness and informational value. Each advertisement included a different combination of design elements.

The attributes and levels of each attribute included photography (sex, white space, patients’ room, operation scene, building and doctor), relationship between photography/slogan (interactive and non-interactive), presence of text (text, no text), and size of the photography (large, small).

Analysis of the results employed ANOVA tests and the conjoint software LINMAP. The results were as follows:

- Ads presenting an external view of the hospital or a sex orientation (men or women on a beach in swimsuits) on a large photograph are most attractive.
- The use of text contributes to the informational value of the ad but not its attractiveness.
- An interactive picture-slogan had a positive influence on both the attractiveness and informational value of the ad.

The authors indicate that the use of pictures has a dominant influence on the perceived attractiveness of the ads, especially large picture formats. The use of pictures in ads also has a significant influence on noted informational content, but not as much influence on the perceived informational value as does the text included in the advertisements.



Additionally, “high-involvement text” is paramount with regards to the informational value of such ads.

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- ***Latent Segmentation Models***<sup>4</sup>

Latent segmentation models (LSM) represent a relatively new and underutilized technique for conducting segmentation analysis. While LSMs are similar to cluster analysis in that they extract several relatively homogenous groups from a diverse data set, LSMs comprise several unique characteristics including:

- The ability to handle both categorical and continuous data without metric conversions;

- Accommodates predictive and descriptive segmentation under a single model. Similar to regression analysis, a prediction equation can be estimated at the same time segments are discovered. A regression equation is produced for each segment. These predictor-outcome relationships for each segment provide insights that may not be available when performing regression on the entire sample;
- Fit a statistical model based on a hypothesized number of segments and not on arbitrary rules of thumb about grouping algorithms, distances between respondents, or how many segments to retain;
- Clearer guidance than cluster analysis regarding how a particular solution fits the data.

Some limitations of LSMs include the following:

- Time-consuming to estimate large models;
- Sensitive to extreme outliers and the scaling of variables;
- Model can be subjective if diagnostics suggest different solutions;
- No guarantee that the derived segments will correlate with background descriptors or behaviors of interest.

The ability of LSMs to capture the predictor-outcome relationship for each segment may overcome limitations by providing a deeper understanding of data that may not be available from other techniques. Comparisons of output from aggregate-level analysis with the results from LSMs revealed that LSMs yielded more insights with some of the findings that were opposite of aggregate results.

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### • *Honorable Mentions*

#### Best Measure of Service Quality

Using a retailer's customer satisfaction data, the authors determine that the mean is the best measure of customer satisfaction, despite previous arguments that the data are not normally distributed since customers primarily use the high end of a scale. The top box was also found to be a good indicator of performance.



Hurley, Robert F. and Hooman Estelami, "Alternative Indexes for Monitoring Customer Perceptions of Service Quality: A Comparative Evaluation in a Retail Context," Journal of the Academy of Marketing Science, 26 (Summer, 1998) 209-221

#### Potential Biasing in Telephone and In-Person Surveys

Although most studies have found that the results of telephone, personal interviews, and mail surveys are comparable, some differences have been reported. In a health related study, several differences were observed:

- Answers by telephone were more positive than those by mail. Also, responses to sensitive questions were more positive when administered in person versus mail.
- Answers about one's current health state were affected by the mode of data collection, while answers about the past were unaffected.
- Use of self-administered forms while interviewing in-person yielded results comparable to those of mail surveys.



Fowler, Floyd J., Anthony Roman, and Zhu Xiao Di, "Mode Affects in a Survey of Medicare Prostate Surgery Patients," Public Opinion Quarterly, 62 (1998), 29-46

In another study on smoking, alcohol, and drug use, mode of administration effects were also found.

- A higher incidence of substance use was reported by adolescents (12-18 years old) with computer-assisted self administered interviewing (CASI) than with paper-and-pencil forms, thus making CASI a potentially effective data collection method for interviewing young people.
- Older respondents (19-34 years old) with a high level of mistrust of other's motives were more likely to report substance use with paper-and-pencil than by CASI. Those with a low mistrust of others reported more substance use via CASI than with paper-and-pencil.

Wright, Debra L., William S. Aquilino, and Andrew Supple, "A Comparison of Computer Assisted and Paper-and-Pencil Self-Administered Questionnaires in a Survey on Smoking, Alcohol, and Drug Use," Public Opinion Quarterly, 62 (1998), 331-353.

Fewer Socially Desirable Answers With a Voice-Input System

Utilization of a computer-assisted voice-input system resulted in a lower incidence of socially desirable responses versus a text-input system.

Moon, Youngme, "Impression Management in Computer Based Interviews," Public Opinion Quarterly, 62 (1998), 610-622

For more information, contact us at Syndics Research Corporation, 13612 Midway Road, Suite 605, Dallas, Texas, 75244. 972.385.0066. Visit our website for future archives of this newsletter. [www.syndics.com](http://www.syndics.com).

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- 1) Schaefer, David R. and Don A. Dillman, "Development of a Standard E-Mail Methodology," Public Opinion Quarterly, Volume 62 (1998), 378-397.
- 2) Singer, Eleanor, Van Hoewyk, John, and Maher, Mary P., "Does the Payment of Incentives Create Expectation Effects?," Public Opinion Quarterly, Volume 62 (1998), 152-164.
- 3) Tscheulin, Dieter K. and Bernd Helmig, "The Optimal Design of Hospital Advertising by Means of Conjoint Measurement," Journal of Advertising Research (May-June 1998), 35-44.
- 4) Cohen, Steven H. and Ramaswamy, Venkatram, "Latent Segmentation Models," Marketing Research: A Magazine of Management & Applications (Summer 1998) 15-21.

## Syndics Synopsis

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