

A Newsletter on the State of the Art in Marketing Research

## A Note from our Company

Once again, we are excited to send you the newest edition of our newsletter on the state-of-the-art in marketing research. As the market research industry continues to grow, we strive to find new techniques to meet industry needs.

Our goal is to help marketing professionals maintain awareness and knowledge of recently published studies addressing current research methodologies. As we periodically review 15 to 20 publications that publish articles on new methodologies, developing research strategies and insights into interpreting research findings, we will share the key findings with you.

This issue includes topics concerning the usefulness of market research measurements, the growing problem of non-response, the use of video transmissions of focus group sessions and the value of market research to executives.

Syndics Research specializes in study design, management, and analysis, providing clients with the flexibility to use the research method that is most appropriate for their needs. This includes traditional methods such as telephone and mail surveys, store intercepts and data tabulation, as well as newer methods, such as web-based surveys and MaxDiff Analysis

You can contact us to discuss these articles or any research issues or projects.

If you have business associates who you think would like to receive the newsletter, please e-mail their address to [mark.teich@syndics.com](mailto:mark.teich@syndics.com).

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## An Empirical Test of Six Stated Importance Measures

***MaxDiff and Q-sort techniques perform better for stated importance measurements***



The authors conducted this study in order to test the predictive and discriminative validity of six different types of importance ratings:

1. Traditional importance rating, where each attribute is rated individually on a fixed scale;
2. Constant sum, where a total number of points is split between all of the attributes;
3. Maximum difference scaling (MaxDiff), where respondents pick the most and least important attributes from several subsets of the entire attribute list;
4. Q-sort, where attributes are ordered from most to least importance in a quasi-normal distribution and then assigned values;

5. Unbounded rating scale, where respondents determine the importance of each attribute without an imposed scale;
6. Magnitude estimation, where one attribute is used as a base in order to measure the relative importance of all other attributes against.

The authors conducted this study because of the apparent lack of predictive and discriminative validity of the method that is used most often, that of traditional importance ratings. This method is flawed due to the ability of respondents to rate all attributes at relatively the same levels, which affects the ability to perform useful discrimination analysis, as well as exhibiting a lack of predictive validity. The authors conducted 1284 web-based surveys where respondents were randomly assigned two different methods of rating ten attributes of satisfaction with a casual dining restaurant.

Key finding of the research include:

- Constant sum, Q-sort and MaxDiff performed the best for predictive validity, with magnitude scaling performing almost as well. Both the traditional and unbounded importance ratings performed poorly.
- MaxDiff performed the best in terms of discriminative ability and predictive validity, but took respondents the longest time to complete with an average length more than twice as long as any other method.
- Q-sort performs nearly as well as MaxDiff on both predictive and discriminative validity and was the quickest method aside from the traditional importance ratings, but the authors feel it might not work very well when there is a very long list of attributes.
- Constant sum and magnitude estimation had similar predictive ability to Q-sort, but had lower discriminative capabilities.
- If the respondent can not see all the attributes at once, when the list is too large or the survey is being administered via telephone, magnitude estimation would be the best method to use.

## Gauging the Impact of Growing Nonresponse on Estimates from a National RDD Telephone Survey

*Non-response for telephone surveys continue to rise and this study highlights the growing costs to increase participation.*



The authors replicated a sociopolitical survey first conducted in 1997 to compare response rates between the same survey administered using two different calling patterns and then comparing those results to the original research. The first calling pattern was the “Standard” approach, where 1,000 surveys were completed in a five-day period using the Pew Research Center’s typical methodology. This was compared to a “Rigorous” approach, where 1,086 surveys were completed over a 21 week period using techniques to improve the response rate (advanced letters with a \$2 incentive, leaving messages on answering machines and sending refusal conversion letters).

Key findings of the research include:

- The Standard approach resulted in completed interviews with 25% of the sample, which was a decrease of 11% from the 1997 study. Contact and completion rates were both lower than in the original study.
- The Rigorous approach resulted in completed interviews with 50% of the sample, which was also a decrease of 11% from the 1997 study. While the contact rate of 91% remained the same as in the previous study, the final cooperation rate among households contacted was 14% lower.
- Only 7 out of the 84 questions showed a modest, but significant difference in means between the two methods.
- The Rigorous method required more than twice as many calls to complete 90% of the surveys obtained in 1997, which demonstrates a great increase in the number of attempts needed to complete the same number of surveys.
- That due to the exceedingly high costs, the Rigorous method should only be used if it is anticipated that there will be a high level of nonresponse due to topic salience.

## Nonresponse Bias in a Dual Frame Sample of Cell and Landline Numbers

*The number of households that use cell phone service and no land line is growing rapidly.*



The authors conducted a survey about cell phone usage and attitudes among 1,592 households pulled from two samples; one for households with landlines and one for households with cell phones. They completed extended surveys with 1,358 participants (571 from the landline sample and 787 from the cell phone sample) in an attempt to identify methods to reduce nonresponse bias among cell phone users.

Key findings of the research include:

- The number of households that currently have only cell phone service, with no landline, is 6% (as of 2004) but is also growing rapidly.
- 31% of households with dual service (both landline and cellular) receive “very few or no” calls on their cell phone.
- 8.9% of households with dual service receive “all or almost all” calls on their cell phone.
- The two major reasons for nonresponse were topic salience and inaccessibility. Topic salience was the more important factor among the landline sample, while that was reversed for the cell phone sample.
- Coverage bias will continue to increase as the number of households that only have cell phone service increases.

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## Survey Finds Acceptance of Focus Group Video Transmission

*Researchers use video transmission to accommodate internal clients, while the researchers attend the groups in person.*

The author conducted a survey to determine the prevalence and perceptions of using live video transmissions of focus groups in the market research industry. 655 surveys were completed among market research end-client researchers and providers of research services.



Key findings of the research include:

- 32% of end-client researchers and 10% of research providers used live video transmission for at least 50% of their focus groups during the past year.
- 21% of end-client researchers and 18% of research providers have never used live video transmission of their focus groups.
- 67% of those who used the service rated their overall experience with live video transmission as excellent or good and only 13% rated the experience as fair or poor.
- 46% of those who used the service considered the costs involved as reasonable while 42% considered the costs as expensive.
- The primary reasons for usage are to allow those who can't or won't travel to still witness the group and to maximize exposure to more interested parties within the company.

## The Prevalence and Usefulness of Market Research

*A comparison of the usefulness, value and actionability of two basic types of research: background vs. decision research.*



The authors reviewed 6,036 studies conducted by 87 organizations covering all sectors of business in New Zealand. They then selected 1,550 studies from 68 organizations to be rated by a company respondent on four dimensions of usefulness: overall usefulness, actionability, value for the money and the level of market understanding provided.

Key findings of the research include:

- Two basic types of studies emerged. The first, representing 86% of the 6,036 first stage studies, was defined as ‘background research’ where the study was geared to collecting market information. The second, comprising the other 14% of studies, were considered ‘decision research’ where the study was geared to answer a particular question or solve a specific problem.
- Respondents rated only 49% of background research as useful, while rating 93% of decision research as useful.
- Respondents rated only 34% of background research as actionable, while rating 91% of decision research as actionable.
- Respondents rated only 36% of background research as valuable, while rating 89% of decision research as valuable.
- Respondents rated 76% of background research as providing a better understanding of their market, while only rating 51% of decision research as doing so.
- While background research dominates in the field, managers prefer to have decision research conducted which will provide them with more ‘useful’ information specifically geared to a specific problem or question.

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## OUR RESEARCH TEAM

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**David Cooper** - Senior Account Executive: Over seventeen years of marketing research experience in focus group moderating and survey research in healthcare, leadership measurement, new product development, customer satisfaction, and high-tech industries. BBA Marketing & Statistics, AAS Design Technology, Graduate studies at UT Arlington.

**Paul Varner** - Senior Account Executive: Over fifteen years of experience with marketing research suppliers with expertise in advanced research methods, price sensitivity & demand analysis, customer satisfaction, and on-line research. MS Marketing Research from UT Arlington and BBA Marketing & Finance from UT Austin.

**Mark Teich** – Director of Quality Assurance: Seventeen years of experience in data collection and quality assurance. MBA in marketing from the University of North Texas.

**Peggy Tinsley** – Director of Research Support Services: Over twenty-five years of experience in business accounting and market research data collection. Specialized data collection experience with computer-based data entry platforms. Attended UT Arlington.

### References in this volume:

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3. Brick, Michael J., Dipko, Sarah, Presser, Stanley, Tucker, Clyde & Yuan, Yangyang, “Nonresponse Bias in a Dual Frame Sample of Cell and Landline Numbers,” Public Opinion Quarterly, Volume 70, Issue 5 (2006) 780-793.
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## Syndics Synopsis

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