

A Newsletter on the State of the Art in Marketing Research

## A Note from our Company

We are excited to send you the newest edition of our newsletter on the state-of-the-art in marketing research. As always, our goal is to help researchers maintain awareness and knowledge of recently published studies addressing current research methodologies.

We have reviewed another set of 15 to 20 publications that presented articles on new methodologies, developing research strategies, or insights into interpreting research findings, and we share the key findings with you here. A variety of topics are addressed in this issue, including the impact of advance letters, the design of importance scales, data quality of online surveys, and an exploration of the use of the Net Promoter score.

We hope that you will consider Syndics Research Corporation for your next project. We specialize in study design, management, analysis, and providing clients with the flexibility to use the research method that is most appropriate for the issue under consideration. We are committed to delivering personal service and excellence in every study.

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## The Influence of Advance Letters on Response in Telephone Surveys

*Mailing a letter prior to calling a sample increases response and cooperation rates and reduces study costs.*



The authors conducted a Meta-Analysis of 29 independent studies which tested the hypothesis that sending advanced letters to the target audience of an upcoming telephone survey increases the response and cooperation rates for the survey.

## In this issue ....

- ***The Influence of Advance Letters on Response in Telephone Surveys<sup>1</sup>***  
Mailing a letter prior to calling a sample increases response and cooperation rates and reduces study costs.
- ***Techniques for Determining Importance: Balancing Scientific Method and Subjectivity<sup>2</sup>***  
Using both Stated and Derived importance measurements can be used to better determine the focus of a marketing plan.
- ***The Choice Between a Five-Point and a Ten-Point Scale in the Framework of Customer Satisfaction Measurement<sup>3</sup>***  
A ten-point scale shows higher validity and explanatory power than a five-point scale.
- ***Quality Issues in Online Research<sup>4</sup>***  
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- ***The Single Question Trap<sup>5</sup>***  
The Net Promoter Score is not the only measurement needed to predict a company's future growth.
- ***Beyond Likes and Dislikes<sup>6</sup>***  
The author presents the BRUM Test for measuring the impact of advertisements within focus groups.

## Key findings of the article include:

- Advance letters have a measurable, positive effect on cooperation rates (+11%) and response rates (+8%);
- While advanced letters stimulate response and cooperation rates, the effect is much less significant with RDD sample, as compared to listed samples;
- No differences in the affects of advanced letters were seen due to differences in demographics, survey topics or the length of the advanced letter;
- Sending a postcard is not as effective as a letter, but is still better than sending nothing at all.

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## Techniques for Determining Importance: Balancing Scientific Method and Subjectivity

*Using both Stated and Derived importance measurements can be used to better determine the focus of a marketing plan.*



The authors conducted research to determine the validity of various importance measurements. They compared the importance measurements from a Stated Importance rating (5 point scale for importance) to three different Derived Importance measurement methods (Correlation, Regression and Combined Correlation and Regression).

The authors determined that none of four methods, individually, can give a clear idea about how respondents view the importance of various company performance indices; as each method will produce slightly different models of importance measurements. Thus they recommend using both stated and derived importance in the following manner

- Plot Stated and Derived Importance measurements on a table with Stated Importance on the X-axis from low to high importance and the Derived Importance on the Y-axis from Low to high;
- If an attribute rates high on both Stated and Derived Importance, that should be the focus of any immediate efforts to improve customer satisfaction. The reverse, scoring low on both types of measurement, indicate areas of lowest concern;
- Those attributes which are high in Stated Importance and low in Derived Importance are “must have” attributes. Since their presence is expected, they do not raise a customer’s satisfaction level; however, their absence would cause dissatisfaction;
- Those attributes which show the opposite tendency, low in Stated Importance but high in Derived Importance, should be considered “delighters.” Their presence is not expected, so when they are, in fact, presented, they will cause an increase in satisfaction.

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## The Choice Between a Five-Point and a Ten-Point Scale in the Framework of Customer Satisfaction Measurement

*A ten-point scale shows higher validity and explanatory power than a five-point scale.*



The authors conducted research by administering a survey to 505 respondents. While the survey questions were identical, 252 of the respondents used a five-point scale for rating questions and 253 used a ten-point scale. All respondents were customers from the same cell-phone company.

Key findings of the article include:

- A ten-point scale shows a higher level of both convergent and discriminant validity;
- A ten-point scale demonstrated a higher level of explanatory power for the primary variables in the study;
- Both types of rating scales resulted in similar rates of non-response and mean scores on the rating questions;
- A five-point scale (and odd numbered scales, in general) tends to attract customers to the mid-point of the scale, leading to a higher neutral response than seen in an ten-point scale (and even numbered scales, in general);
- No difference was found in the how the scale was utilized by respondents of various education levels.

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## Quality Issues in Online Research

*Care must be taken to ensure quality data is obtained from online surveys from panel members.*

The author explored possible reasons for discrepancies in survey results found between those who completed a survey online versus those who completed the same survey over the telephone.



Key findings of the article include:

- He tested for mode effect by recontacting and resurveying 500 respondents by telephone who originally answered the surveys online. The results of the survey closely matched the data found among the original telephone respondents;
- His research points to a contributing factor of how online surveys are administered to online panels, whose members are often attracted to answering surveys quickly for the monetary incentive;
- The less time respondents spend answering the questions, the bigger their “payback” for the time spent. This seems to encourage respondents to take less time and less concentration from the respondents;

- The author suggests several ways of correcting the situation. The first is to ensure that online respondents spend the same amount of time. This may require terminating respondents demonstrate significantly less time considering the survey questions;
- Another method is to re-ask key questions or introduce “check questions” which can be compared to previous questions. Respondents who answer contradictorily should be terminated.

## The Single Question Trap

*The Net Promoter Score is not the only measurement needed to predict a company's future growth.*



The authors examined data from several sources in order to debunk a current trend among some market researchers who claim that the Net Promoter Score is the most important indicator of a company's financial future. The NPS is obtained from one particular question, the customer's likelihood to recommend a company to others. The researchers looked at data from more than 54,000 respondents from more than 125 companies.

Key findings of the article include:

- In comparing the use of a four-point scale to an eleven-point scale, the scaling of the NPS question has little impact on the measured outcomes;
- There are other net customer feedback measurements, such as net satisfied, net delighter and net committed, which also provide similar correlation to financial success besides the NPS;
- Due to the imprecise nature of net scoring in general, and the higher sample sizes needed for accuracy, there are better ways to predict future business, such as standard measurements of customer satisfaction and loyalty.

## Beyond Likes and Dislikes

*The author presents the BRUM Test for measuring the impact of advertisements within focus groups.*



The author presents a model for advertising testing within focus groups or one-on-one interviews. She believes that too many moderators and clients rely too much

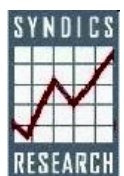
on the simple “What did you like/dislike” about the advertisement, which will not satisfy the primary need of the research, identify ways to improve the advertisement.

- The BRUM test measures attitudes on four attributes of advertising; believability, relevance, uniqueness, and motivation;
- For believability, the key is to ask questions to determine whether the ad makes sense to the respondent, does not confuse the respondent, or makes logical conclusions. Instead of asking a like/dislike dichotomy, the moderator should explore whether the ad is comprehensible;
- For relevance, the key is to ask questions to determine if the respondent believes the ad to be properly targeted to them and if not, for whom they think the ad is really targeted. Instead of the like/dislike questions, the aim is to determine whether the ad is speaking to the correct audience;
- For uniqueness, the key is to ask questions to determine how well the respondent sees the ad as being differentiated from competitor's advertisements. The aim is determine whether the ad is sufficiently different from competitor ads for the brand to stand out, to determine whether the ad is too far-away from the norm and to find out whether it shows the uniqueness of the brand's product;
- For motivation, the key is to ask questions to determine whether the respondent is motivated to either be pulled toward the product or pushed away from the product. Instead of asking about future purchases, the questions should be addressed, instead, to determine the amount of push/pull of the advertising.



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**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.

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## Syndics Synopsis

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