

A GUIDE TO VALID SURVEY RESULTS WITH ONLINE RESEARCH

READ THIS WHITE PAPER TO:

- LEARN HOW TO DOUBLE SURVEY RESPONSE RATES
- DISCOVER THE PROS AND CONS OF ONLINE VS. TRADITIONAL SURVEY
- LEARN WAYS TO CUT YOUR RESEARCH COSTS UP TO A THIRD
- UNDERSTAND THE FIVE CRITICAL STEPS FOR ONLINE SURVEYS
- FIND OUT WHY 87% OF COMPANIES CONDUCTING ONLINE RESEARCH OUTSOURCE THEIR SURVEY
- PROTECT YOURSELF FROM INTERNET PRIVACY AND SECURITY CONCERNS

Table of Contents

| | |
|---|----|
| The Case for Online Research | 3 |
| Online Surveys vs. Traditional Research..... | 4 |
| Online Research: Why It's So Effective | 5 |
| How Outsourcing Can Benefit You | 6 |
| Making Online Surveys Work for You | 7 |
| Building Accuracy Through Online Research With Online Panels..... | 8 |
| Protecting Privacy and Security with Online Research | 9 |
| Conclusion..... | 10 |
| About Infosurv | 11 |

Market Perception vs. Market Fact: The Case for Online Research

The simple fact is that when a survey is done correctly, the information generated by a survey can help boost market share, lower corporate risk, pave the way for a clear perception of markets and assist in the creation of effective marketing and advertising programs. Until recently, most surveys were paper-based or conducted by telemarketers. Although these surveys were somewhat effective under most circumstances, marketers and HR professionals have discovered a much more powerful survey method—online research.

*“Online Research is surging, and within the next few years is likely to become **the most common form of all marketing research fieldwork conducted.**”*

Larry Brownell, Executive Director of the Marketing Research Association

Many businesses even today continue to offer products and services based on what they *perceive* to be a market need. The problem is that with increased competition amplified by a globally connected marketplace, those who operate on a whim are taking an extreme risk. The mark must be hit the first time around. To achieve that milestone, businesses are searching for a deep understanding of existing and potential customer’s attitudes, preferences and opinions. And successful companies rely on survey results to gather that insight.

Surveys can tell an organization many things. What is the state of mind of their customers? What will it take to reach out and connect with a potential customer’s mindset? And what is the state of mind of their own employees? (Making uninformed assumptions about the internal forces within a company can be just as dangerous.)

Online Research Comes of Age

The impressive growth of the Internet represents a revolutionary opportunity for businesses to gather the knowledge they need in an affordable, quick and reliable way. With more than 69% of U.S. households having Internet access, online research represents a reliable and effective portal to tap into the consumer, employee and customer mindset.

This white paper will outline the operational case as to why online research makes sense and how it can be much more effective than surveys deployed through traditional methods. In the following pages, you will discover:

- A comparison of online research vs. traditional methods, including variables such as reach, response and costs
- Why online research builds better and more accurate response
- Why outsourcing is a smart business model through which to deploy online research
- How to maintain and improve quality control when deploying online research, including how to address privacy and security concerns

Online Surveys vs. Traditional Research: *Which meets your goals better?*

To answer that question, let's evaluate the value of online surveys versus older techniques such as mail surveys and telemarketing. When compared to traditional research methods, online research offers:

- **Reduced costs.** According to research conducted by Entrepreneur magazine, phone surveys cost between \$5,000 and \$15,000, averaging around \$40 per interview (or person surveyed). Snail mail surveys mimic phone interviews, costing marketers approximately \$5,000 to \$7,000 per 200 responses. Online surveys significantly reduce costs to roughly \$3,000 to \$5,000, since postage is eliminated and the response rates are higher.
- **Increased Precision.** An online survey can include graphics, pop-ups, multi-media messages and examples that offer detailed explanations so that a potential respondent can get more information if a question is confusing or unclear. This reduces the number of "Not Sure" or "No Opinion" responses, which greatly reduce the effectiveness of a survey. Validated or guided answers also prevent errors and provide accurate data that doesn't require "cleansing".
- **Unparalleled Reach.** The most inherent benefit of using the Internet for any type of survey research is access to unique portions of the general population that are difficult to reach through traditional survey methods (i.e. upperincome households, young Hispanic males, single parents, etc.).
- **Better Prequalification.** Online testing to pre-qualify respondents yields improved panel composition and better survey results.
- **Higher Response Rates.** According to the Marketing Research Association, response rates for telephone surveys tend to be in the 10 to 15 percent range, while mail survey percentages are even lower. For online surveys, the typical response rate is now 20 to 50 percent—often reaching rates in excess of 50 percent. In fact, at Infosurv, we often achieve response rates for our clients that are 45% higher than industry norms.
- **Immediate Results.** The responses from an online survey are captured instantaneously, eliminating manual entry. Responses can be viewed and accessed as they are collected. This allows marketers to conduct preliminary analyses on collected data and complete other tasks as they are awaiting the desired number of responses.

Participants in online surveys also enjoy certain advantages including:

- **Ease of Use.** Many survey participants feel that online surveys are more convenient than traditional research methods. Respondents can complete a survey at anytime, whenever it is convenient. Convenience is key for attracting participation from business leaders and executives.
- **Less Invasive.** Online surveys are less disruptive to participants, in terms of privacy and availability.
- **Incentives.** Survey respondents are often rewarded with an incentive as a gesture of appreciation for their time and efforts. The Internet allows for instant gratification, whether it be an discount coupon via e-mail or a gift certificate to an online store.

Comparison: Online vs. Traditional Survey Methods

| | Online | Mail | Telephone | In-Person |
|------------------------|------------|-----------|-----------|--------------|
| Cost | Low | High | High | Average |
| Response Rate | Increasing | Declining | Declining | Same |
| Turnaround Time | Fast | Long | Average | Fast/Average |
| Reach | Unlimited | Limited | Limited | Moderate |
| Flexibility | Unlimited | Limited | Moderate | Moderate |

Online Research: Why It's More Effective

Men and women, young and old, affluent users and low income families— the average Internet user isn't what he or she used to be. In fact, almost all demographics can now be found online, closely mirroring the general offline population. The percentage of minority groups is on the rise, more baby boomers and seniors are taking advantage of the Web, and households at all income levels can now enjoy Internet connectivity thanks in part to lower computer prices. This is why online research is such a powerful data collection tool. And the adoption of generally accepted standards, new online security measures, and best practices, is building even more successful survey results.

Third-party research services who specialize in the design and administration of online surveys are raising the bar even further. These firms produce higher quality data and improve panel composition, increasing survey results far beyond what could be accomplished by a company performing a survey on their own or using in-house software.

Better response

Low response rates have traditionally plagued researchers. Having too few respondents can actually invalidate results, making the survey results insignificant and the entire research project a waste of effort. Fortunately, the response rates for online surveys surpass those of traditional research methods. Since online surveys are convenient and easier to complete than paper-based surveys, they generate higher acceptance. And response rates can be increased further by using panels that have been pre-qualified.

| US online population profile | | |
|------------------------------|---------------------|----------------------|
| | Total US population | Online US population |
| Age | | |
| 18 - 29 | 24% | 21% |
| 30 - 39 | 22 | 18 |
| 40 - 49 | 22 | 20 |
| 50+ | 30 | 37 |
| 50 - 64 | 22 | 22 |
| 65+ | 8 | 16 |
| Sex | | |
| Men | 49 | 48 |
| Women | 51 | 52 |
| Race | | |
| White | 76 | 75 |
| Black | 10 | 11 |
| Hispanic | 13 | 13 |
| Education | | |
| High school or less | 39 | 47 |
| Some college | 30 | 27 |
| College graduate+ | 30 | 25 |
| Household income | | |
| Less than \$25,000 | 14 | 19 |
| \$25,000-\$50,000 | 23 | 24 |
| \$50,000 and over | 52 | 44 |

Source: [Harris Interactive](#)

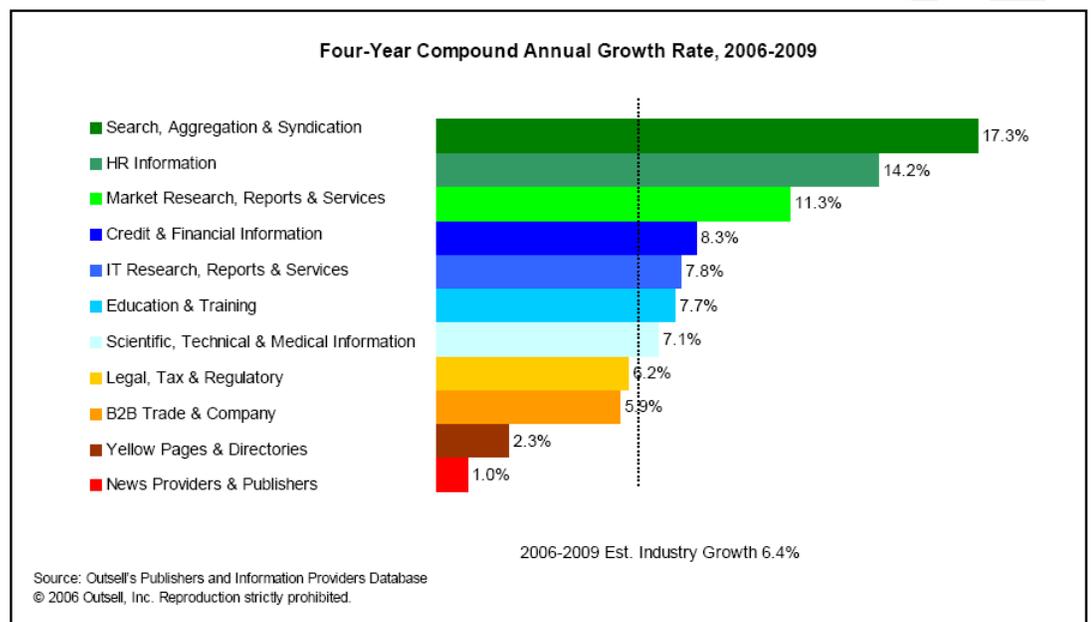
The validity of online research is apparent in the growing number of online users, the higher response rates generated through this platform and the plethora of new tools and services available to marketers.

*"Everybody has come to realize that in order to stay in touch with the realities of the marketplace, in order for government to be responsive to its citizens and in order for academics to understand what drives people's behavior, **surveys are an incredibly efficient way of getting data.**"*

— John Krosnick, a professor of communication and political science, and recent recipient of a \$2 million grant from the National Science Foundation's Major Research Instrumentation (MRI) Program

Administering the Online Survey: Benefits of Outsourcing

The market research, reports and services segment of the information industry was valued at \$25.7 billion (US) in 2005. It's forecasted to grow 11.3% to reach \$39.7 billion in revenues in 2009. One of the key drivers of this impressive growth is technology—specifically the Internet as a vehicle for expedited research. As the segment continues to move toward “realtime,” the need for specialized services becomes paramount. This has created a lot of buzz around outsourcing.

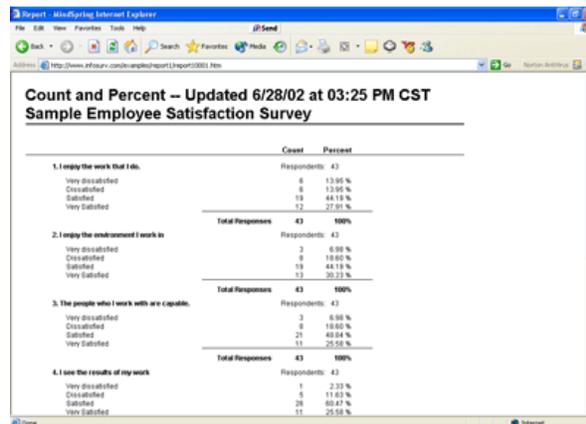
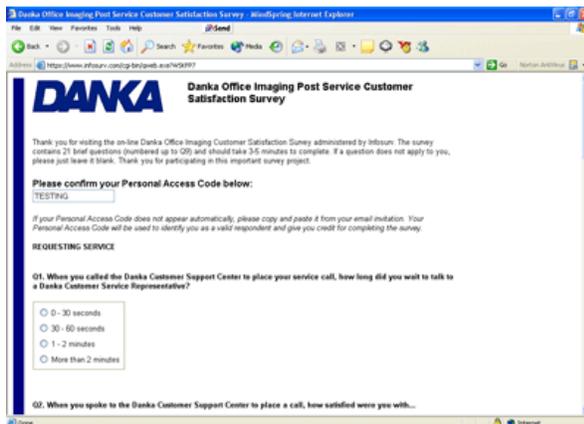


Outsourcing an important online survey allows companies to:

- Access best of breed software at a fraction of the cost of purchasing software.
- Host the survey run by the latest, fastest equipment.
- Back up their important results.
- Mitigate the risks and poor impression of having the survey “go down” while it's being run.

According to management consulting firm Cambiar, LLC, only 13% of companies today use their own internal survey platform—meaning a full 87% of online researchers turn to professional survey hosting companies. Outsourcing:

- Allows an organization to focus on core competencies.
- Reduces the strain on IT departments.
- Eliminates long lag times in research and reporting.
- Makes efficient use of resources, as the process is left to professionals who make their living conducting surveys.
- Ensures greater confidentiality for survey participants, which generates higher response rates.
- Reaches a representative audience for better results.
- Allows companies to access expert analysis without having to hire another full time research analyst.



Making Online Surveys Work for You

An online survey requires several elements in order to work effectively. The most important steps for conducting a successful online survey are:

Defining the objectives.

All research, including surveys, should begin with clearly defining the objectives or goals. What insight or information are you trying to obtain by conducting an online survey? These objectives should be committed to in writing to help maintain focus.

Identifying the target audience.

To obtain the desired information, a survey needs to reach the right group of people. It is important to send a survey to people who are most likely to respond and who will in turn provide accurate answers. Qualified targets can include existing customers, former customers and/or prospects, to name a few.

Designing an adequate survey (questionnaire).

An online survey should be designed to support multiple platforms and browsers, prevent duplicate or multiple submissions, present questions in a concise and logical manner and written in plain, easy-to-understand language. This is where an outsourced vendor can deliver real value to the process.

Encouraging Participation.

A critical part on an online survey is to develop a strategy for attracting or inviting respondents. An incentive is often a great way to boost participation.

Collecting and Analyzing Results.

The responses from an online survey can be analyzed as soon as they are received, allowing for a preliminary assessment of results. A final report should be prepared, which specifically addresses the goals and objectives of the survey and the outcome. From there, key business and marketing decisions are made.

Building Accuracy: Research With Online Panels

When conducting a survey, a small group of respondents, known as a sample, is selected from a population of all potential participants. The goal is to have a representative sample that accurately reflects the larger population. For many years, online research was dismissed as non-representative, as Internet adoption was not universal. This created ongoing challenges for researchers and marketers. They were concerned that those without Internet connectivity may not be properly represented in an online survey or that the results would be skewed to a particular “online audience” profile that did not fit the profile of the ideal survey target.

With Internet penetration reaching all-time highs, the representative sample is now much easier to obtain—particularly when the principles and tools of traditional research are applied, such as with the panel. **The panel is currently the most widespread and effective method presently being used in online research.** Panels work to bridge any gaps in the online universe, providing “willing” participants and boosting response rates.

How to use an online research panel

With panels, online research is transformed into an essential tool for obtaining superior survey results. The fundamentals are the same as with traditional research. Consumers and businesses are recruited to specifically respond to surveys. Online, this is referred to as “opting-in.” Most of the time, participants complete a profiling questionnaire before being added to a panel, which can later be used to pull representative samples. According to joint research conducted by Dartmouth College and the University of California (Riverside), **nearly 80% of consumer goods and approximately 74% of business-focused companies use online panels.** Online panels:

- Cut down on turnaround time, because target groups can be quickly constructed.
- Offer access to niche populations that can often be hard to reach.

- Present representative samples that truly mirror the general population.
- Produce higher response rates, since panelists have already agreed to participate (lowering non-response errors).
- Generate reliable results, as responses are not forced.
- Allow follow-up studies to be conducted to track changes in behavior and attitudes.

Ensuring panel integrity

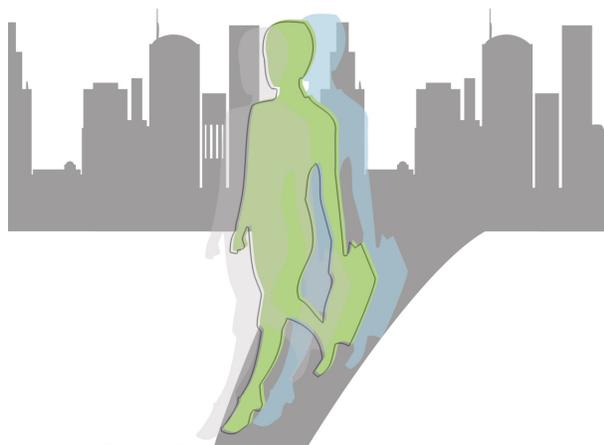
Panels are typically managed by third-party research companies that pre-screen on dozens of demographic and behavioral variables. When using an online panel, survey participants can be selected based on:

- General demographics
- Interests, hobbies or needs
- Internet experience and usage
- Home ownership status
- Business and leisure travel
- Income level
- Banking, credit card and other financial data
- Business attributes, such as position, decision-making authority, company size, industry and revenues

When it comes to online survey research, the quality of responses can make or break the final results. Although there is skepticism over the existence of “professional survey takers” which taint online panels, most third-party research companies now have tools and procedures in place to weed out these “un-professionals”. Panel management practices ensure ongoing quality responses when used in conjunction with well-designed surveys and bias correction methods.

Protecting Privacy and Security With Online Research

Whether online or offline, survey respondents are always concerned with privacy and protecting their identities. Many people fear that their information will be shared or sold to other companies



purposes or that they will be placed and become bombarded with spam.

Although surveys often require personal information in order to be valid, researchers and marketers have a responsibility to protect the information of their survey respondents by ensuring their confidentiality. Most professional research organizations now have strict codes of conduct and the use of personal

Why the need for personal information?

There are multiple reasons why personal information is required from survey respondents. First, follow-up is sometimes necessary to collect further data. Also, many organizations use the information to conduct quality control and to establish the effectiveness of the survey process. Personal information is also used to establish representative panels and target populations, helping to eliminate the potential of sample bias and to generate usable statistics.

Securing online surveys

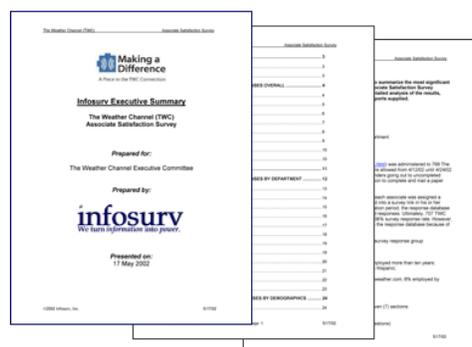
The following is a list of the security methods currently being used in the online research industry:

- Highly-trained employees are required to sign non-disclosure and other confidentiality agreements.
- Personal information collected during a survey is kept physically and electronically separate from all other survey responses and results.
- Only authorized users are allowed to access confidential files.
- Special codes and passwords are required to access any confidential information.
- Sensitive information such as specific age or income would be presented in larger, more generalized groups (i.e. Age Range: 18-24, 25-32, etc.).
- All personal information sent over the Internet is encrypted or encoded before sending, which eliminates the possibility of misuse.
- Outdated or unneeded information is permanently destroyed or deleted.

Although it is nearly impossible to guarantee complete data security, reputable survey organizations know how to properly protect the identities of survey participants and have standard procedures in place to keep confidential information secure.

Conclusion

Although traditional survey methods will always be in existence, the power and reach of the Internet has brought forth a new era in market research. More confidence is being placed in online panels and outsourcing continues to be a dominant trend, as researchers use economies of scale to leverage online survey companies to provide the best hosting platforms, the best software, and the most expert analysis. In short, the data are clear—online surveys have come of age. There is simply no more efficient or cost effective way to get the critical business answers you need reliably, securely, and accurately.



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