

# A new era of Market Research – Real-Time Sampling™ (RTS)

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## 1. Introduction

In recent years, the Internet has been transformed from a Web surfer's paradise to the world's business district. Today, for much of the world's working population, the Web is now associated with getting their job done. Checking e-mail has become somewhat of a chore, and due to the e-mail volume most people now receive, it has to be done daily, if not hourly, and it takes a lot of time. Rather than strolling leisurely through cyberspace, happily taking surveys to which they are invited, survey respondents have begun to be more selective and it is even more challenging to attract and retain panel respondents and keep high levels of respondent cooperation.

So, as it becomes harder and harder to stand out as a compelling choice for consumers online, market researchers are scrambling to make surveys more appealing, adding one glitzy feature after another to entice consumers to devote a few minutes of their valuable and limited time to their online surveys. In fact, market researchers rely on people to volunteer their time for little to no compensation, amidst a myriad of other online digital distractions.

The result? We're entering a new era of market research. Marketing research professionals understand that they need to provide a "value proposition" beyond the traditional survey and the traditional online research panel to cut through the clutter and engage survey respondents.

Moving beyond the panel, there are other types of respondents – individuals who would be willing to take an online survey, but may not be willing to join a marketing research panel. Greenfield Online is offering market researchers broader access to alternate respondent sources by tapping into a rich base of consumers willing to participate in online surveys and introduced Real-Time Sampling™.

Real-Time Sampling™ (RTS) expands the respondent access capability by reaching out in real-time to potential survey takers who may not choose to join an online panel. These respondents are recruited via a Global Survey Network of pre-recruited partners and interested respondents are screened provided with a relevant survey opportunity assigned by a proprietary Survey Router. This Survey Router intelligently assigns respondents to relevant surveys based on demographic data. Further, the Survey Router synthesizes multiple sample and recruitment sources to ensure high-quality data.

## History

Before Greenfield Online successfully launched its Real-Time Sampling™ other research companies have tried as well to release a similar solution in the past. It didn't work for a couple of reasons. First of all the technology was not sophisticated enough to support such an innovative product. Secondly the economic model was based on payment for traffic which was making the cost per survey too high.

## 2. Background & Objectives

Greenfield Online has developed an approach to fulfill the sample requirements of researchers that differs fundamentally from existing, conventional online Panel methods. As mentioned above, this approach -- Real-Time Sampling -- consists of recruiting individuals in real time from a network of websites with which Greenfield Online has developed referral relationships.

This methodology is innovative in that it leverages the many potential survey takers online who are willing to take a single survey, but who may not necessarily want to join a market research Panel. Our research has shown that real-time respondents also report participation in marketing research studies, and many have joined/are members of online panels.

Potential Real-Time Sampling survey takers are solicited to participate while they are surfing the Internet and are on the websites of Greenfield Online's network of affiliated recruiting websites -- the "Global Survey Network." All sites in this network are pre-screened and approved for the program. Greenfield Online began to develop this network during 2005, and it currently has hundreds of participating sites ranging from small, low traffic sites to higher volume top web properties.

The recruiting "offer" varies depending on the site, but is generally an offer for a chance to win a substantial cash prize in a drawing for participating in the process. The offer is delivered using various media placements and email solicitations on the recruiting sites.

## 3. How Does Real-Time Sampling Work?

Potential survey takers who agree to take a survey are sent from the web sites in the Global Survey Network that they are on at the time they agree to participate to the Survey Router. Based on their responses to the screening questions, recruits are assigned to the available surveys. This is done on an equal probability basis: the recruit is equally likely to end up in any of the currently open surveys. The actual qualification of a recruit takes place in the survey to which the Router assigns him or her.

All recruits provide an email address so that their participation in surveys can be tracked. Each is returned to the website from which they were originated, regardless of whether they qualified and participated in a survey or not. Greenfield Online has the ability to track future visits from the real-time survey takers. This is done using email addresses and cookies.

Real-Time Sample is composed of users driven to the system by the Global Survey Network, as well as Ad Words, MSN Search, and regular search engine traffic.

## 4. Case Study: Panel Sample vs. Real-Time Sample

An independent study commissioned by Greenfield Online and conducted by Anderson Analytics LLC, an independent marketing-research consultancy, found Panel and Real-Time Internet samples to be quite similar, while limited demographic differences between Panel sample and Real-Time Sample exist, these differences do not impact top-line conclusions of typical market research projects, as evidenced in the following analysis.

The study was designed to determine how different, if at all, Panel sample is from Real-Time Sample and what marketing implications exist by sample source.

Via a typical concept test, we measured respondent interest, overall appeal, and quantified basic pricing and market share for two different chocolate bar advertising concepts. The end goal being to determine if the same conclusions will be reached with regard to the advertising concepts, regardless of which sample source used.

Our analysis concluded that product decisions would be the same whether Panel sample or Real-Time Sample were used.

After conducting this typical product concept test, it is apparent that:

- Both Panel and Real-Time Samples report similar chocolate and junk food consumption, including soda, gum, ice cream and/or candy. When further asked about specific category purchases, brands purchased were also correlated.
- Both Panel and Real-Time Samples report that the amount they spent on the specific category in the last month is similar.
- The two ad/product concepts tested were ranked similarly between Panel and Real-Time respondents, and the “go/no go” marketing decision would have been the same no matter which sample source was used.
- Further, the survey asked respondents to provide an acceptable price range for two products. Again, the results provided by both Panel and Real-Time respondents were the same.

## 5. Methodology and Concepts

In order to test two concepts as realistically as possible, with the primary objective being to test the accuracy of two different sample sources, a two concept four cell monadic concept test design was chosen. A monadic design was chosen as it is typically preferred, and considered to be more pure than a sequential-monadic or proto-monadic test when sample costs are not prohibitive. The four cells were set up as follows:

- Panel sample seeing concept A, Romantic Chocolate (n=632)
- Panel sample seeing concept B, Vitamin Filled Chocolate (n=616)
- Real-Time Sample seeing concept A Romantic Chocolate (n=642)
- Real-Time Sample seeing concept B Vitamin Filled Chocolate (n=626)

The product to be tested, two new chocolate bar concepts, were chosen because chocolate bars have a broad appeal among consumers, and are thus an ideal product to test overall sample composition and differences.

It is generally understood that the more the concepts being tested represent the final product or experience, the more dependable the concept test results. However, as the true objective in this study is measuring Panel vs. Real-Time Sample, rather than predicting exact market share of a potential product, the level of concept refinement is irrelevant.

The concepts to be tested were designed by Anderson Analytics to accurately reflect typical concepts tested online by advertising agencies and consumer packaged goods companies. The concepts (full page magazine layout mock-ups), were designed to

have wide general appeal. Concept A, with a more standard offering and message, and concept B, a somewhat more unique/new and different message.

Concept Copy was short but adequate in communicating the differing sales messages. Concept A used a traditional emotive message of love/romance common in chocolate advertising.

Concept B employed a more humorous angle, and also focused on the taste and health benefits (unique & different) of the chocolate product.

## 6. How the Study Was Conducted

Both Panel sample and Real-Time Sample respondents were invited to the survey, Panelists received emailed invitations, and Real-Time respondents were intercepted in real-time and randomly assigned to participate in a survey. Quotas were set to control for gender, age, and region based on Nielsen NetRatings Audience Profiler data. The male/female split was a standard 45%/55%, distribution for age and region were also standard.

Controlling for these three demographic attributes, may self correct many other demographic differences which could exist between the two sample sources.

Many other demographic, techno-graphic, and behavioral attributes were measured, though not controlled for, in order to quantify how similar and different the two sample sources are.

The survey was fielded on July 25<sup>th</sup>, 2006, and was completed by 2,516 respondents. Within each of the two sample sources, a base size over 1,200 gives a confidence interval of +/- 2.77% at the 95% confidence level. Throughout this report, significance testing has been conducted between sample sources and between concepts at the 95% confidence level.

## 7. Category Behavior

### Chocolate Purchasing and Junk Food Consumption

In both Panel sample and Real-Time Sample, over three quarters of respondents report having purchased chocolate within the past three months. In addition there are no significant differences with any of the other candy/junk food category items such as gum, soda, and ice cream.

Panel sample respondents were more likely than Real-Time Sample respondents to have purchased \$5 or less worth of chocolate within the past month.

Panel sample respondents' chocolate purchasing was also significantly less frequent than Real-Time Sample respondents. However the average \$ amount spent on chocolate within the past month (\$6.12 for Panel sample, \$7.22 for Real-Time Sample) as well as the average number of chocolate purchasing occasions (2.0 times for Panel sample, 2.3 times for Real-Time Sample) were calculated and deemed acceptable for purposes of the concept test.

### Chocolate Brands Purchased

Respondent experience and exposure to competing products is an important consideration in concept testing. Therefore, as is customary, respondents were asked about their purchases within the past three months on a list of specific chocolate products.

Both sample groups exhibited recent experience with several of the chocolate products on our list, with over half of respondents in each group having purchased Hershey's within the past three months.

Real-Time Sample respondents were significantly more likely than Panel sample respondents to have purchased several of the chocolate items on our list. The difference was largest (9 points) for the most popular product mentioned, Hershey's.

While recent purchases for some of the items are higher among the Real-Time Sample group, the rank order of the products were the same among both samples.

It is important to note, as discussed earlier in this report, there are some demographic differences between Panel and Real-Time Samples such as the somewhat higher incidence of children in Real-Time Sample households. While the concept being tested in this case was thought to be targeted for personal adult consumption, it is reasonable to believe that households with children will purchase more chocolate products. Marketers may wish to consider, therefore, how such subtle sample differences may affect research projects.

## 8. Concept Test Results

Key concept/product dimensions were measured on a 5 point scale and a concept scorecard was created. Concept B, Vitamin Filled Chocolate, appears to be a clear winner for both Panel sample respondents, and Real-Time Sample respondents based on the three key measures: Overall Appeal, New and Different, and Purchase Intent.

An observed difference between Real-Time and Panel Samples is that within the Panel sample Vitamin Filled Chocolate top-box scores are also significantly higher than that of Romantic Chocolate for the Overall Appeal and New & Different measures.

Interestingly, Real-Time Sample seems to yield slightly higher top-two-box scores for these same measures, thus indicating that Real-Time Sample may be somewhat more inclined to select a "4" rather than a "5" on a 5-point scale.

Slight differences in key measures between the two sample sources aside, Vitamin Filled Chocolate is the clear winner for all three key measures on the concept scorecard. Thus a go/no-go decision based on typical key measures would be identical regardless of the sample source, all other things constant.

### Pricing Results

Measuring price is always a challenge, and customarily some pricing segmentation would take place as part of the analysis prior to arriving at a suggested price point for a new product. However, an overall picture of price sensitivity can be useful. In this case using either Panel sample or Real-Time Sample as a source one would draw the same conclusion. Consumers seem to be willing to pay more for Vitamin Filled Chocolate.

Furthermore the inflection point at \$3.50 is the same in both sample sources. There also appears to be very little difference in the actual percentage of customers willing to pay a specific price point for the product regardless of sample source (about 30% would purchase at \$5, and about 15% at \$3.50).

## Future Share

In order to evaluate concept 'lift' or change in the share of consumers future chocolate purchases, respondents were asked to think about their next 10 chocolate purchases and allocate how many of each chocolate product/brand they would be likely to purchase, assuming the product was available. If they would not purchase a particular chocolate bar they were instructed to enter a "0" next to that chocolate bar. Responses were required to add to 10.

Shortly after being exposed to the concept, respondents were asked to redo the exercise with the new chocolate concept brand included in the product list.

Once again Vitamin Filled Chocolate outperformed Romantic Chocolate regardless of sample source. In fact the results were remarkably similar between Panel and Real-Time Sample. Romantic Chocolate was purchased an average of 0.26 out of 10 times among Panel respondents, and an average of .28 out of 10 times among Real-Time respondents. Likewise, Vitamin Filled Chocolate did equally well among both Panel and Real-Time Sample, Concept B (0.73 times and 0.78 times, respectively).

For both sample sources Vitamin Filled Chocolate took most market share away from the same three top competitors (Hershey's, Snickers, and Reese's).

## 9. Detailed Look at Sample Differences and Possible Implications

### Shopping Behavior

There is little difference in Offline purchasing behavior between Panel sample and Real-Time Sample. Real-Time Sample respondents were only significantly more likely to have purchased one of the items we asked about (Music) than Panel sample respondents (34.1% VS 29.5%).

However, Real-Time Sample respondents were significantly more likely than Panel respondents to have purchased a number of items Online (Food, Coffee, Clothing, Movies, Home Goods, Cosmetics, and Music). However, even in the item with the largest relative difference, food, the percentage difference was less than 5 basis points (36.0% VS 31.2%). Still, marketers whose products are primarily marketed online should be aware of these differences.

## 10. Conclusion

To continue to dialog with respondents, researchers will have to adapt to the changing lifestyles of today's connected digital consumer. To remain compelling, market research must fit into the tight spaces that exist between consumers' busy lives of juggling work and family.

In this hyper speed culture, marketers can't afford to wait weeks or months to find out how consumers feel about their products.

Today researchers have a wider choice to reach respondents for their surveys. There are more opportunities than ever to reach difficult target groups and communicate with consumers that don't want to join a panel. This new technology will not replace the panel sample but creates additional benefits to our customers in a similar way Online became a complementary methodology to face to face and telephone.

Greenfield Online's Panel sample and Real-Time Sample exhibit many similarities. While there are some demographic differences that exist between the Greenfield Online Panel and Real-Time Sampling, this concept test analysis has shown that a marketer is likely to make similar marketing decisions with either sample source.

Real-Time Sample represents a valid sample source, and one that enables Greenfield Online to gather opinions from a broad audience of survey takers beyond its panel of pre-recruited respondents.

Since July 1<sup>st</sup> 2006, 2,8 million unique visitors have gone through the Real-Time Sampling™ methodology to complete 1,9 million qualified surveys.

Although it has been assumed that this method only performs well for high incidence studies our data indicates otherwise as 61,6 percent were achieved in low incidence studies (less than 25 percent) incidence rate. Real-Time Sampling™ works equally as well for high incidence as it does for low incidence projects.

Greenfield Online is now looking to export this solution to Europe and probably to the UK as the market has reached a level of maturity that will require finding other ways to attract potential survey respondents.

At Greenfield Online, we understand the importance of innovation, and leveraging the latest technologies to meet the market research challenge of the future. By venturing into fertile new territory like Real Time Sampling, we expect to continue to supply our clients with the kind of critical market data they need to make time critical decisions.

