



THE EVOLUTION OF ONLINE MARKETING RESEARCH

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Utilizing reliable market research on an ongoing basis is the most effective way to ensure a successful marketing campaign. Nevertheless, for many companies, the benefits of conducting marketing research and the costs of conducting marketing research always seem to be at odds.

MARKETING RESEARCH CAN BE EXPENSIVE; NOT KNOWING YOUR CUSTOMER'S NEEDS CAN BE COSTLY.

The traditional solution to this quagmire is to go on gut instinct or apply someone else's findings to your customers. However, these approaches only work over time if: you can find consistent, reliable third-party research on an ongoing basis; and, the gut feelings you trust don't turn out to be an ulcer.

This is why market-savvy companies of all sizes are going online for answers -- answers provided by their customers. **Inside Research, a newsletter for the market research industry estimates that 23.6 percent of all market research spending this year will involve Internet surveys, compared to 10 percent in 2000 and 33 percent projected by 2006.**

The Internet has proven to be quicker, more accurate and less expensive than traditional market research methods.

QUANTITATIVE RESEARCH: THE NEED FOR SPEED

Today the Internet can be used effectively for most quantitative research, such as market analysis, customer preference studies, ad testing, and customer satisfaction research. This is because the Internet easily transforms mailed forms and phone calls into online forms, where results are stored in a database and can be tabulated on-the-fly, in real time.

ONLINE MARKETING RESEARCH HAS OFFERS MANY ADVANTAGES:

Cost

Although preparation costs are be higher, the cost of online quantitative research is typically lower than its counterparts. For example, a traditional phone survey costing \$50,000 might cost \$10,000 to conduct online (80% lower than telephone).

Savings are even greater in instances where surveys are conducted periodically because online surveys can be repeated with less effort.

Speed

The timeline for online research is compressed. A traditional consumer survey taking three or four weeks might be completed online in as little as 10 days.

Anonymity

Online research that is not distributed via email provides customers with complete anonymity. This can be helpful when market research includes personal questions. Some people are willing to share personal experiences and criticism online that they may be reluctant to share with an interviewer.

CONDUCTING RESEARCH ONLINE IS NOT ALWAYS A STRAIGHTFORWARD MATTER:

Preparation

Internet research is cost effective, but it isn't cost free. Preparation is important. It's important to identify the proper survey sample, questionnaire, and determine what data weighing and/or incentives might be requires to bolster participation. You also need to define how incoming data will be stored and evaluated.

Testing

The speed of Internet research makes it unforgiving. By the time you identify problems a large portion of your customers may have already completed a survey with errors, or attempted to complete a survey that failed.

Privacy

One of the things that makes Internet market research so cost effective, is the ability to manage participation via email. The trade off of this advantage is privacy. **For some survey participants, lack of anonymity can be a concern. As a result, it's not a bad idea for companies to use a third-party research company to manage surveys. These companies can often guarantee that participant identities will not be disclosed.**

Nevertheless, companies are finding ways to use the Internet as an effective tool for qualitative research. For example, Hershey uses Internet research it to test products. Procter & Gamble uses it to conduct consumer research.

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