

President's Corner

*Lori Laflin, C. J. Olson Market Research,
Chapter President*

Let me begin my first President's Corner by thanking everyone—I'm honored to serve as your President. I'd also like to take this opportunity to publicly thank Tammie Frost-Norton. In addition to being a great President last year, she was willing to act as President after her term was completed, so that I could spend some time at home with my new son. John Lauritz Laflin was born on April 4 and is as healthy and happy as a boy can be.

I'd also like to thank the out-going board. This past year has been a great one for our chapter. Our membership levels keep increasing, our member retention is high and event attendance is good. In addition to our four regular meetings (May, Fall Conference, November breakfast and March roundtables), this past year also saw the introduction of some very popular educational workshops. Congratulations to all the committee members who put these events together and who keep the chapter rolling.

Looking forward, I'd like to welcome the new Board and new committee members. This is shaping up to be one of our best years ever. Keep your eyes open for news of upcoming events.

Finally, I'd like to encourage everyone to get involved. All the committees are seeking new members and this is the perfect time to get active. Personally, I've always enjoyed serving on the committees. It's a great opportunity to get to know your peers and to help to create the MRA that's right for you. For example, the Programming Committee selects the topics and speakers for the four main events and the Site Committee selects locations. Even better—the time commitment isn't at all burdensome. Most people contribute an average of an hour or two a month.

Here's looking forward to an exciting and educational new year!

Upcoming Events

August 24, 2000: *Basic Statistics Tutorial at Winona Research*

September 28, 2000: *Fall Conference, IMS*

(Watch your mailbox for details)

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Summer in the Twin Cities

MN Fringe Festival
July 28 - August 6
612-343-3390

Uptown Art Fair
August 4 - 6
612-823-4581

Powderhorn Art Festival
August 5 - 6
612-823-1141

MN Renaissance Festival
August 12 - September 24
612-445-7361

MN State Fair
August 24 - September 4

Sommerfest (MN Orchestra)
Through August
612-371-5656

Annual Meeting Review

By Tammie Frost-Norton

Approximately 30 members attended the annual meeting. The new Minnesota Upper Midwest Chapter Board was installed. Lori Laflin, President (not present as she just had a baby!); Bev Koser, President Elect; Jeff Cook, Treasurer, Lisa Morse, Secretary (not present, as she was on a cruise); Karen Karges, Director at Large; Dave Koch, Director at Large; and Lisa Denning, Director at Large; (not present, as she had reported labor pains the day before). The absent officers will be installed at the next board meeting. The highlight of the morning and the draw for many of those present was the talk by the well-known economist, Paul Anton, of Anton, Lubov & Associates, a Minneapolis-based consulting firm.

Mr. Anton described the old and the new economy. The old economy was based on companies such as the auto industry where there was a tangible product to deliver and had a constant draw for laborers. The new economy is based on .com type of businesses. Currently we are experiencing the longest sustained expansion in the US business history. There seems to be four main reasons for this growth period: 1) The growth has been slow to start— only a 3% increase between 1991 and 1994. 2) The jobs tied to manufacturing currently represent only a 19% portion, which is down considerably. 3) The Federal Reserve acted with a hands-off type of policy and did not intervene early in the game. 4) Luck - External forces such as the weakness in the Asian market, which created a higher demand for US products, played a key role.

In the new economy, four key items were described. 1) The great growth of economic business outsourcing. This is seen in all industries including banking. 2) The high tech service industry has seen a 115% job growth rate between 1987 and 1997. This has resulted in an increase in manufacturing but a decrease in the need for staff. 3) Consolidation of major companies, which results in downsizing. 4) International interdependence.

What does this mean for the future? Household economies will be driven by jobs, as the unemployment rate is at an all-time low. Credit and revolving credit is on the rise, personal income growth is on the rise even though economic numbers show a negative savings rate. (The savings rate is not a true figure, however, as it includes pensions, IRA, etc.) The consumer confidence level is down as people see rising fuel and energy costs, rising interest rates and downward fluctuations in the stock market. In spite of the confidence level being down, the economy is strong as evidenced by the increase in production, the increase in jobs, and the increase in interest rates. As in-

The Verbatim

The Verbatim is published four times a year by the Marketing Research Association Minnesota/Upper Midwest Chapter Newsletter Committee. Comments, suggestions, and editorial contributions are welcome.

Submissions can be sent to Lindsay Hansen at lhansen@barlowresearch.com

Welcome New Editor!

I have taken over Randi Luoto's position of newsletter editor. I am a research analyst for Minnetonka-based Barlow Research Associates, Inc.

Since taking over the newsletter, I have made a year plan for upcoming issues. Each issue will have a theme, which will be outlined below. I welcome and hope that you will submit something when the theme appeals to you. This first issue does not have a theme, as I did not have the time to notify folks about it. You are off the hook this time, but prepare to submit in the future!

However, the next issue will be out in September. If you can get submissions to me by the end of August, please consider the theme of Internet-based research. At Barlow, we have started holding planning discussions with our clients not just on the phone, but online as well, through the Web conferencing of Evoke. This has also worked for focus groups for respondents. What experiences, negative and positive, has your company had with the Internet, whether it is data collection, reporting, etc? Please email your submissions to me at lhansen@barlowresearch.com

I also welcome any comments you have about the newsletter. Just as a heads up, future themes are as follows:

November issue, quirky market research stories. What is the strangest experience you've encountered while being in the industry? Submissions needed by end of October.

January issue, the future of market research. It has been said that market research will not exist in ten years. What are your thoughts about the shrinking demand for our livelihood? Submissions by end of December.

Look for your conference invites in the mail—it's coming up on September 28.

Lindsay Hansen, Barlow Research Associates, Inc
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lhansen@barlowresearch.com

2000/2001 MRA Upper Midwest Chapter Board Members

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CJ Olson Market Research
612-378-5040

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612-541-7177

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Dave Koch
Adapt, Inc.
952-939-0538

Annual Meeting Review (continued)

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comes rise, wealth in the stock market also rises. There is no research to support perceptions of changes in actual spending mirroring the stock market fluctuations.

Business economics are driven by energy, trade, and fiscal policies. As we see an increase in mortgage rates the housing activity will slow. Business investments will grow in the trade sector as the currency exchange is very favorable and the Euro dollar is flat. This will mean the exports will grow faster and imports will slow down. Overall expect a growth of about 4%. We will see stabilization of the energy market and gas prices will even out but at the higher price. The crude oil barrel price of \$30 is adjusted for inflation rate of the past few years. OPEC says they will increase production when in reality we have enough produced for 10 years. What controls the price is the rate the supply comes to market. Mr. Anton's prediction is that the interest rates will go up again in June, probably only ¼% but could go up another ½%. For there not to be a further change, the economic growth needs to stabilize at 3%.

E-commerce will also change the economy. With the improvement of high tech capabilities we will reduce costs and capitalize on efficiencies. These benefits will not be seen at the company level but rather at the consumer level. These efficiencies do not generate profits. Companies try to do more with fewer employees. An example given was a personal teller transaction costs \$1.27, an ATM transaction costs 27 cents, and an Internet transaction costs less than 1 cent. E-commerce may change the way you buy but consumers will tend to buy the same kind of goods as previously. E-commerce would change the way people procure services.

Business to Business transactions may change as businesses can procure from other businesses on line. For example GM, Ford, Daimler have set up e-sites for parts and the service community bids on them. This will change the marketing strategy to businesses.

Questions and Answers: 1) If benefits are not seen at the company level, why do we spend our lives tied to cell phones, work evenings and weekends etc.? It is driven by the need for international competition. The US has seen that we can be a presence and compete internationally, therefore we must provide the service coverage. This eventually will take a toll on people both mentally and physically. Employers will need to provide better, more flexible compensation packages.

2) Will we ever reach a point where we can't grow because of the labor pool? Essentially yes. We can continue to grow at approximately 3% per year and maintain the labor pool, however, the labor pool needs to become more skilled.

3) What effect will the baby boomers have on the stock market? The baby boomers should have relatively little effect as that time period is actually spread across 1964 to 1980 so people will come to using their investments at an evolving rate as well.

Reference: a good economic book to read is the Irrational Exuberance by Bob Schiller.

Have some time on your hands?

Like the idea of going to meetings before your workday?

Join a committee and help the MRA run more smoothly!!
Contact Lisa to get involved.

Lisa Denning
651-662-6805

It's Fun!!!



Marketing Research Myths

By Lindsay Hansen, Barlow Research Associates, Inc

In the late Spring I had the pleasure of speaking to a group of local professionals at the Carlson School at the University of MN for an Executive Development program. My presentation, entitled “Myths of Marketing Research,” attempted to counter misconceptions people outside of our industry have. I would like to share some of these misconceptions, along with some of the questions that people asked me afterwards.

The three myths are as follows:

Research is best handled inside an organization.

Research is too expensive.

Research provides clear answers of how to proceed in business.

The resources that a market research firm has are unparalleled—to construct a survey, handle the key-punch, analysis, statistics, tabs, etc, in an organization quickly becomes outlandishly expensive. It may seem easier to handle research in-house, but it is often useful to look into outside help.

Research can be expensive; custom projects, when not available to other customers, are resource-heavy and costly. However, when multiple organizations pool resources to purchase subscription research, everyone benefits at a lower cost. At Barlow, we have started a new group, the Membership Research Group, which enables our banking clients to access information online. Each member sees the same information and has the option of oversample data, at a reasonable rate. Subscription research is often affordable for clients.

Although research can be quite helpful and pivotal when designing a new product or planning a new campaign, it is just a guideline. For the best benefits, research should be shared and used within an organization and explained by the research analysts.

These ideas probably seem pretty clear to MRA members—but the audience members did seem surprised and were interested in using research in their companies.

Some of the questions I fielded after this presentation were as follows:

What is the best way to start using market research, when a firm has never used it before? Start with focus groups, or surveys, or what?

How does a company find a research firm?
How do company clients feel about sharing information with other clients?

I did not know the answers to all of the questions. How would you have handled these questions? I welcome your comments and ideas.

Upcoming Executive Development Center programs at the U of M’s Carlson School:

Fundamentals of Marketing
November 13-15

Sales Management Executive Program
October 4-6

Strategic Marketing
December 4-6

Presentations:

Coaching for Executives
October 31- November 2

More info can be found at <http://www.csom.umn.edu/edc>



School Needs Help!

Studio Academy, an arts and theater-focused charter high school opening in Rochester this fall, will be delighted to have your company's no longer in use office equipment.

Contributions are tax deductible. If your company or a company you know has a contribution, please call Bev Koser at Total Research, 612-541-7177 for more information.

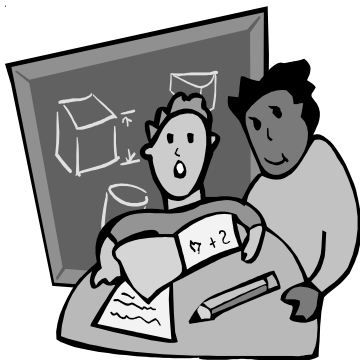
Needs/wishes include:

- √ Computers (486 or better)
- √ White Boards (for dry erase markers)
- √ Cork Boards
- √ Chalk Boards
- √ Clip Boards
- √ Projection Screens
- √ Overhead Projectors
- √ Tables
- √ Chairs
- √ Desks
- √ Filing Cabinets
- √ Office Stuff

Contact Studio Academy,
Lisa Orke, at 507-254-2448.

The address is:

Studio Academy
707 1st Ave. NE
Rochester MN 55906.



MRA MN/Upper Midwest Chapter August Educational Seminar

Tutorial: Basic Statistics for Marketing Research

Neil Helgeson of Winona Research/Research International USA-Minneapolis has offered to deliver a tutorial of Basic Statistics for Marketing Research on Thursday, August 24th, 2000, from 12:30 PM to 4:30 PM at Research Resources (8040 Old Cedar Avenue, Bloomington).

Statistical analyses are widely used (and misused) throughout marketing research. This tutorial is designed to explain the use and interpretation of common descriptive and inferential statistics in marketing research. Throughout the discussion the emphasis will be on the rationale for using the techniques and their applications, interpretation, and communication, rather than the mechanics of calculation or the underlying mathematical theory.

Topics covered will include:

- Common descriptive statistics
- Principles of statistical inference
- Common inferential tests such as *t*-tests and Analysis of Variance
- Interpretation of test results – what the tests do and do not tell us
- Identifying special testing situations such as equivalence testing, multiple comparisons, and other situations requiring special tests or techniques or approaches
- Determining the appropriate sample size
- Alternatives to traditional statistical testing
- Common pitfalls and mistakes

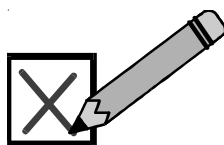
Prior Knowledge Required: None. This tutorial is designed for those who have had no formal training in statistics or those who want to strengthen their ability to properly use and interpret common analyses.

Benefits of Attending: Attendees will be able to understand and interpret the results of common statistical analyses and use them as a tool in decision-making.

Neil Helgeson is Senior Methodologist at Winona Research, a full service marketing research firm. He provides research design and analytic support for clients and Account Executive staff and is responsible for providing analytic and design training to junior staff.

Gallup Poll Highlights

Harry Potter



Harry Potter and the Goblet of Fire smashed sales records over the weekend, sending its publisher, Scholastic Inc., back to the printing press for another 2 million copies, on top of the 3.8 million already distributed in the United States. A new Gallup poll finds widespread public familiarity with the Harry Potter book series, with 71% of national adults saying they have heard or read about it. Among parents of children under 18, close to one third (31%) report that one or more of their children has read or listened to Harry Potter books, and 22% say they plan to buy the new book. That translates into 8% of all Americans or roughly 16 million copies of the book. Despite some criticism from religious groups about the wizardry and magic involved in Harry Potter's fictional adventures, most Americans with an opinion on the matter say they approve of the book series (52%); only 7% disapprove while 41% are unsure. [July 6-9, 2000]

POLL INSIGHTS

- * 38% of American adults say they have seen the CBS television show "Survivor." [July 6-9, 2000]
- * 62% of Americans describe themselves as "a sports fan." [April 28-30, 2000]
- * Three-quarters of men (76%) but only half of women (49%) describe themselves as "a sports fan." [April 28-30, 2000]
- * Close to one-quarter of employed adults in the United States (23%) say they know someone at their place of work who they think is capable of committing an act of violence on the job. [November 4-7, 1999]
- * Only 68% of 18-29 year old adults in the United States, compared to 87% of those aged 30 and older, say they plan to vote in the election for president this fall. [July 6-9, 2000]
- * Job approval of President Clinton by region: 71% among those who live in the East, 59% in the Midwest, 55% in the South, and 53% in the West. [July 6-9, 2000]

August Ed. Seminar (continued)

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He is the developer of several analytic products at Winona, including Winona Products Simulatorsm. and Winona Pricing Simulatorsm.

After undergraduate study at UCLA and graduate study at Columbia University, Neil had an academic career before he came to Winona. He taught psychology, statistics and experimental design at Trinity University, The University of Texas at San Antonio, and Jamestown College.

Neil has written articles on methodological issues for a number of publications and has given presentations at many conferences, including the Advanced Research Methods All-Tutorial Event, the AMA Marketing Research Conference, and the Advanced Research Techniques Forum.

Please mark August 24th on your calendar! Invitations will be mailed August 1st, 2000.

Research Project Managers and Analysts

Business Dynamics, Inc. (BDI), an Eagan-based research and consulting organization, is expanding its research team! We are looking for experience in project management, client interface, qualitative and quantitative primary research and data analysis. Project managers will design and manage Customer Value survey projects for BDI's diverse Fortune 500 client base. We are looking for team players who enjoy the breadth of experiences and the ability to make an impact gained from working within a small research group.

Please forward resume or inquiries to: Andcor Companies, c/o Cindy Lorah,

clorah@andcor.com

phone: (952) 475-8091

fax: (952) 404-8091

Next Verbatim will be out in September. Get your submissions to Lindsay Hansen in August!

Lindsay Hansen
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VOLUNTEER OPPORTUNITY

Will you step forward and take charge of advertising sales for the Verbatim?

Position involves soliciting ad sales, overseeing ad preparation and invoicing advertisers after ad placement. Position offers opportunity to work with interesting people.

If interested, contact Lindsay Hansen at (612) 545-6620.

Advertise in *The Verbatim*

Interested in advertising in *The Verbatim*? As an additional benefit to the members of the MRA the chapter has decided to make advertising space available. There are four different sizes and rates for you to select from.

Business card size	\$25.00 (members)/\$50 (non-members)
Double business card size	\$50.00 (members)/\$75 (non-members)
Half-page	\$75.00 (members)/\$100 (non-members)
Classified Ads	\$25.00 (members)/\$35 (non-members)

Please call Lindsay Hansen at (612) 545-6620 for more information.
