Spring Volume 5 Issue 2

President's Corner

Bev Koser, Total Research - Harris Interactive, Chapter President

This is the Minnesota/Upper Midwest Chapter of the Marketing Research Association Annual Report to the membership. Reviewing our activities for the past year has been a rewarding experience as I realize the many accomplishments of our Board of Directors and Committees. Since May, 2001, when the current Board of Directors took office, we've had a wide range of events designed to offer learning and networking opportunities to our chapter's constituents who include marketing research end-users as well as corporate and independent research suppliers. The Program Committee produced three major events –"A Really Wild Event," a marketing research case study about the Minnesota Wild's franchise development; "Trends in Technology," a panel discussion of expectations of marketing researchers; and a panel discussion "Research on the Front Lines of Retail Marketing" plus a networking night at a Minnesota Wild game. The Education Committee produced events including "Blowing Our World Apart (communications)," "Effective Use of Non-Parametric Statistics in Marketing Research," a tour of the newly re-opened J. J. Hill Business Library, "Web Usability Testing," "Relationship Selling," and "Survey Research in Partnership with Litigation."

Summaries of program and education events appear in the Verbatim and, starting with the March, 2002 program event, audio tapes of program events are available for sale.

Invitations for programs and education events are now sent via email as well as printed hardcopy. Our chapter's logo was updated to be in strict compliance with national MRA requirements.

New endeavors include establishing an Outstate Committee to facilitate education and networking opportunities for our Upper Midwest

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President's Corner

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area members. The group has monthly telephone conference call meetings.

Our chapter now has its own page on the national MRA website www.MRA-net.org and a Researchers' Forum on Quirks' website www.Quirks.com. The forum was established especially for our use by Quirks to facilitate communication for all our constituents, a need identified by our Outstate Committee.

In May, 2001, our chapter's past presidents formed a committee to tackle special projects for the chapter. Focus groups with marketing research end-users were held in February to identify how to attract and better serve this segment of our professional community. A survey of all our members will be conducted this spring under the Past Presidents Committee's guidance. And, they have offered to update our bylaws as their next project. This high level of dedication is invaluable and greatly appreciated.

Our membership as of April, 2002, is 142. The structure of MRA membership has changed from a January to December basis to a rolling twelve-month membership. Last year's annual report indicated there were 136 members as of February, 2001. We updated our mailing list this past fall via phone calls made to the entire approximately 500-person list. Our Membership Committee contacts potential and newly registered members and follows up on membership renewal needs.

Our current financial balance is $13,342. Membership dues, our primary income source, supplement program and education event expenses and pay for our quarterly newsletter. Stipends for the end-user focus groups were our other significant expenditure this year.

A Watchdog Committee was established this year to facilitate appropriate reporting of inappropriate activities conducted under the guise of marketing research. We also have been monitoring the Do Not Call Telemarketing legislation in the Minnesota Legislature.

All this was accomplished through the strong leadership and efficient coordination of hard working Board of Director officers and members, committee chairpersons and committee members. Thank you all for a year of many meaningful accomplishments.

Committee Chairpersons are appointed to serve October through October to facilitate planning continuity. The Board of Directors is elected to serve May through May. Officers for 2002-2003 will be installed at our May 2002 meeting, and include:

President:	**Dave Koch**, Adapt , Inc.
President-Elect:	**Lisa Morse,** Questar Data Systems, Inc.
Secretary:	**Bob McGarry,** Information Specialists Group, Inc.
Treasurer:	**Lisa Denning,** Blue Cross Blue Shield of Minnesota
Director at Large:	**Jeff Cook,** Cook Research and Consulting
Director at Large:	**Tish Pasqual,** Xcel Energy
Director at Large:	**Lori Simzek,** Land O' Lakes

Important Links

Don't forget to look up our Chapter ON-LINE!!!

Visit Quirk's Forum on www.quirks.com.

Here are some important links for the Quirks web-site:
Researcher Forum Index:
http://www.quirks.com/forum/index.htm

Current Forum Topics:
http://www.quirks.com/forum/default.asp

Forum Archive:
http://www.quirks.com/zforum/index.asp

Tammie Frost-Norton to Receive 2001-2002 Chapter Service Award

Each year the Marketing Research Association honors one member from each of the chapters for significant contributions to the chapter's success. Tammie Frost-Norton of Research International is our Minnesota/Upper Midwest Chapter award winner this year. She will receive her award at the National MRA convention in Washington DC on June 7, 2002.

Tammie is an enthusiastic and tireless volunteer for our chapter. She began her service to us as a member of the core committee that formed the chapter five years ago. Since then she has served as Membership Committee chairperson and a member of the Program and Education committees. Tammie completed the three-year term of President-Elect, President, and Past-President, all offices on the chapter's Board of Directors. She currently is the editor of the Verbatim, our chapter's newsletter. She, as one of our four past presidents, is an active participant on the Past President's committee formed in May 2001 to tackle special projects for the chapter.

Tammie is an enthusiastic volunteer; when a task needs to be completed, she will volunteer and will successfully complete it. She consistently is a person who can be counted on. Even through she had just completed her term as Past-President at the time our chapter was in great need of a newsletter editor, Tammie volunteered. This year's newsletters are filled with interesting information and arrive on time.

This past year our chapter sought lower cost options for printing and mailing event invitations, an almost monthly task. Outside printing was becoming too great an expense. Again, it was Tammie to the rescue. She volunteered to coordinate the printing and mailing process using resources at her company, saving the chapter both money and printing lead-time.

Tammie is a great mentor to new Board of Directors members and cheerfully passes on her tips and suggestions. She is a true leader as well as a great worker.

2002/2003 MRA MN/Upper Midwest Chapter Board Members

President
Dave Koch
Adapt, Inc.
952-939-0538

President-Elect
Lisa Morse
Questar
651-688-1975

Past-President
Bev Koser
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Secretary
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Director-At-Large
Jeff Cook
Cook Research
952-920-6251

Director-At-Large
Lori Simzek
Land O'Lakes
651-481-2862

Director-At-Large
Tish Pasqual
Xcel Energy
612-330-6261

"Nuts & Bolts of Marketing Research"

Doug Skipper - Market Solutions Group

Marketing Research professionals are encouraged to roll up their sleeves and strap on their tool belts for the MN/Upper Midwest Fall, 2002 workshop, "Nuts & Bolts of Marketing Research." This half-day event is designed to help you build your new career or to fix up an existing one. We will explore the tools of the trade with two well designed breakout tracts, the more traditional nuts approach, or the innovative bolts approach to market research. Three riveting one-hour long sessions, conducted by expert guest speakers, will comprise each tract.

Then we'll nail things down with lunch and roundtable discussion about how nuts and bolts fit together. Things will ratchet up at 8:30 a.m. on Thursday, Sept. 26, and gear down about 1:30 p.m. at the Metropolitan Ballroom in Golden Valley. Hammer out some time in your busy schedule for "Nuts & Bolts of Marketing Research."

Nuts & Bolts of Marketing Research
Thursday, Sept. 26, 2002
8:30 a.m. - 1:30 p.m.
Metropolitan Ballroom
Golden Valley
Fasten it to your calendar now.

Once upon a time.......

Once upon a time there were three brothers, Al, Bob and Charley Piggey. The three Piggey brothers all happened to work for the same company, Goose Industries. This is their story.

Goose Industries was one of the major players in Nurseryland. They manufactured everything from tuffets to candlesticks and made a good profit in the process. One dark day, recession came to the happy land. Goose Industries brought in Mr. B. B. Wolfe to help the firm compete in the new economy. His grim recommendation was to slash the number of employees. He snarled that he would help "do away with the dead weight."

B. B. set his sights on the first Piggey brother, Al. Like his brothers, Al was a manager who believed that the company needed a new product to be successful. He reasoned that, since tuffet sales were still going well, the characters in Nurseryland would really like a new high end model made of silk brocade with a hand-embroidered spider-web design. Unfortunately for Al, the new model did not sell and the company was left with 1,000 of the 'tuffets fit for a Queen.' B. B. Wolfe took advantage of this mouth-watering information and soon Al disappeared from the company roster.

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Next, B. B. targeted the second Piggey brother, Bob. Bob's product design team of engineers were excited about a new product concept. They would build a farm animal locator. It could be programmed to find lost sheep or track cows in the meadow. The simple press of button guided the user to the misplaced animal. The engineers and programmers were enthusiastic about the functionality of the new product. Unfortunately, consumers weren't and soon Bob, like Al, was 'down-sized.'

After his dealings with Al and Bob, B. B. Wolfe huffed and puffed to upper management that he knew all about how to deal with these tasty little Piggey brothers. But, B. B. didn't realize that Charley was a smart fellow who had learned by watching Al and Bob's mistakes. Charley told his friends the butcher and the baker that he wasn't about to let the same thing happen to him, "No, not by the hair of my chinny-chin-chin."

Before bringing his product to market, Charley conducted a focus group with some potential customers. He learned that Little Bo Peep was occupied by running around looking for her sheep. Jack was jumping over 5 or 6 candlesticks a day and all the king's horses and all the king's men were spending a lot of time walking around walls. What did these people all have in common? Their feet hurt. Charley developed a line of comfortable shoes. He then tested this concept by surveying the characters in the land. He learned that price was critical for the people of Nurseryland. Charley marketed his line of shoes. They were comfy and affordable and sold like hotcakes. In a follow-up

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Understanding Usability Research

A recap of the Educational Workshop held January 25th and February 1st at The Leede Group. This is a synopsis from the presentation by DEAN BARKER, found on his web site: www.Interfacearchitecture.net/MRA_WEB.HTM.

Here is Usability in a Nutshell: The VALUE of a software program or website is determined by its usability, which includes performance (objective) and preference (subjective). The subjective components of software quality can be measured as well as the objective component.

Here are the key factors about usability engineering: Historically, systems developed from a system point-of-view. Usability engineering emphasizes the user. It considers human factors in order to design software that is usable. Usability research is employed for design input. The design is created based on best practices. Usability validates design through research. This improves usability through iteration.

The next step is Usability Evaluation. Through research, we measure or predict the actual and perceived quality of the user experience concerning performance and preference. This is performed throughout the UCD (User Centered Design) process via various techniques.

Why do we evaluate? To improve the quality of the customer experience. How do we improve the quality of the customer experience? We discover usability problems. We redesign the system in a manner that solves the usability problems.

Usability Research Techniques include: Field study observation; Contextual inquiry; Interviews; Discussion groups; Surveys; Card sorting exercises; Participatory design sessions; Walkthroughs; Usability tests. Where does Research Fit? In the Design input with both the investigation phase and the analysis phase (Design phases=participatory design), and in the Design evaluation, which takes place throughout the cycle. There is formal research during Evaluation phase; Usability testing in the Evaluation phase is the most common instance of usability research

Definition:

Usability test: A controlled, social research study that employs formal experimental design and tests representative end-users performing tasks in realistic scenarios with products or product prototypes. What is not a Usability Test: It is not a walkthrough; it is not a focus group.

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It is typically a one-on-one with users recruited and brought to a marketing research facility. There are a series of 5 to 8 one-on-one sessions at a length of 60-90 minutes. There is low or zero facilitator interaction. With 5-8 participants (per user group), it provides enough data. [Model by Nielsen and Landauer (www.useit.com/alertbox -March 19, 2000)].

What Happens in a U-Test? The Escort greets participant and accompanies them to the testing room. The Facilitator briefs participant on test procedure. The Participant completes pre-test questionnaires, then reads situation and task documents. The Participant performs task scenarios. The Facilitator asks follow-up and summary questions. The Facilitator debriefs the participant. The Escort provides the participant with stipend and accompanies them to facility exit. There are variables to consider. The stage of development affects the evaluation or test type and purpose. The nature of prototype (whether it is paper or online, and the level of interactivity.) Also consider the formality of the test protocol, including the test design and interaction with participant. Another consideration is the location and equipment.

Key to success are the test objectives. The primary objective is whether users can do the task(s). Can users understand the question(s) and/or task(s). Complex objectives may be broken into several tactics. The critical objectives may use multiple tactics to measure redundantly and identify the usability concerns. Define your research objectives. Decide how to test for those objectives. Decide how to measure each. Objectives should be specific, measurable, and hierarchical

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Understanding Usability Research (continued)

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(primary, secondary, tertiary), and related to task performance, conceptual understanding, and user preference and perception. It should be mapped to tools, and it should yield measures. Performance measures should be quantitative and observational. Subjective measures should be Qualitative/Quantitative, Verbal and written, involving preference and perception. Results should answer research objectives and report additional data.

To summarize, PERFORMANCE MEASURES would include: Task completion; Time on task; Number of errors; Error recovery time; Requests for assistance. Subjective measures for performance are also possible through user comments (both verbal and written), and user preference and perception (both verbal and written). Surveys can be reported quantitatively.

THE REAL CASE FOR USABILITY TESTING
31.1% of projects are canceled before completed. 52.7% of projects cost 189% of original estimate. 16.2% of projects are on time and in budget. Only 9% of those are for large companies. American software tests only 42% of originally proposed features and functions.

Critical Success Factors:
1.User involvement/ 2.Executive management support/ 3.Clear statement of requirements/
4.Proper planning. Three of the four points are resolved by using a user-centered, process-based approach to design. It is critical to pay appropriate attention. For example 50% of code in modern software is devoted to the user interface but only 6% of development budget is allocated for user interface. At the same time, 63% of large projects are over budget due to frequent change requests by users, overlooked tasks, and requirements deficiencies.

Cost Benefits of Usability
There are direct benefits such as increased user productivity, decreased training, decreased errors, early design changes, and decreased user support needed. Indirect benefits include user satisfaction, greater retention rates, customer loyalty, increased sales, and positive publicity.

Increased Productivity – A Basic Example:
Imagine an internal call center application where there are 1000 users working 230 days per year. The average wage is $25 per hour (fully loaded). Each user processes 60 screens per day. Usability testing results reduces user-processing speed by 1 second per screen.

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Step 1
1000 users * 60 transactions per day * 230 days = 13,800,000 transactions
Step 2
13,800,000 transactions per year/3600 hour = 3833.33 hours saved
Step 3
3833.33 * $25 hourly wage =
$95,833.33 Cost savings annually

NOTE: Email Presenter Dean Barker for Formulas and parameters. Dean (dean@interfacearchitecture.net) has got formulas for: Productivity; Training; Errors; Early design changes; Decreased user support.

BUT WAIT – THERE IS MORE!
A one second improvement for a single task of one corporate system considers a single benefit only. Cost savings realized throughout the life of a system: $95,833.33 savings over 10 years = almost a million dollar cost savings. Calculated in today's dollars, adjusted for future value of money it becomes even more!!! How do you prove it? Empirical evidence: This can be measured with baseline usability testing (before and after). Substantial research can result in improvements to simple tasks resulting in 1-30 second productivity improvement. Complex tasks can result in 25-1416 second productivity improvement.

There are fascinating case studies and a simulation exercise you can take yourself, by viewing this presentation on the web site: www.interfacearchitecture.net/MRA

The changing face of Usability can be seen in relationships with Marketing Research, QA Testing, and Quality Management. You can use formal

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Position advertisement/posting for local chapter of MRA

Data Recognition Corporation has over 20 years of experience with survey design, administration, processing, and analysis. Due to growth over the past several years, DRC has recruited and developed staff members with a wealth of experience. We believe, in large part, the quality and experience of the people who develop and manage our programs guarantee their success. We are looking for talented professionals to join our team as a senior-level Research Consultant or an experienced Sales Consultant.

Research Consultant
This position manages the survey development, sampling design, special analyses, preparation of reports, and presentations for Customer Satisfaction survey research projects. A successful candidate will have ten or more years of experience in survey research design and delivery (customer satisfaction focus), preferably with three or more years of direct sales or sales support experience. An advanced degree (M.A. or Ph.D.) in Marketing Research, Social Science, or a related field is required. We seek a candidate with SAS or SPSS expertise; PC knowledge of Microsoft products; excellent oral and written communication skills; demonstrated client service and crisis handling skills and the ability to function within a team environment.

Sales Consultant
This position generates new business and coordinates contract renewal activities in the areas of Customer Satisfaction Surveys, Employee Opinion Surveys, and/or 360 Degree Performance Appraisal. Within this capacity the incumbent manages business development activities to meet assigned sales goals, provides ongoing client and account support to the project teams on signed contracts, and partners with team members to ensure client satisfaction and contract renewal. DRC's sales process is highly consultative and our products/services are customized to each client's needs. Qualified candidates will have a Bachelor's degree in Marketing, Business Administration or related fields or equivalent experience, and at least five years direct sales experience. Strong communication skills and technical aptitude are essential, as is the ability to work well in a team environment with IT and research associates. Experience selling a solution with a technology component is desired (e.g., web-based information management). We are looking for candidates with experience selling a conceptual product/service; some experience with customer satisfaction measurement or employee opinion research is desired.

DRC is an equal opportunity employer who offers competitive

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salaries and comprehensive benefits including incentive plans, profit sharing, generous health and time-off packages, and 401(k). Our corporate headquarters is located in Maple Grove, MN. To apply contact: Sara Barsness in Human Resources at 763/268-2151, fax 763/268-3003, or email resumes@datarecognitioncorp.com.

Understanding Usability Research (continued)

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usability testing as a commodity and innovative evaluation technique resulting in cheaper and faster research.

RESOURCES:
www.InterfaceArchitecture.net/resources
(Includes recommended books, websites, and trade associations)
www.upamn.org
The Handbook of Usability Testing (by Jeffrey Rubin)

Presented by: Dean Barker

INTERFACE ARCHITECTURE, INC.
Services include
- User Interface Design
- Prototyping
- Usability Evaluation (Expert reviews/ User tests)
- Strategic Usability Planning

Usability from Passion to Practice

John Neenan - Neenan Partners, Inc.

A doctor has a practice. So do lawyers and accountants. A Zen Buddhist and a Christian Monk each has a practice. In all of these examples – practice does not make perfect but makes Better.

What is a practice?

- An action done many times for skill.
- To follow, observe, or use day after day.
- The working in or following of a profession.

(*The World Book Dictionary)

What do the Doctor, Lawyer and the Monk have in common? They have a set of methods, standards and actions used by a community of practitioners on a regular basis. Why should your business be any different?

Starting with User Centered Design, we may discover the benefits for business in general. There are numerous methods to choose from in establishing a usability practice within your business. Each has its strengths and weaknesses but the act of choosing one, sets the practice in motion. What follows is one such model.

The design process may be divided into a number of cycles starting with the first glimpse of the idea and ending with its creation and release. This process is performed over and over again. Cycles begin with the delivery of the last design. Depending on whether this is the first iteration or the third, each stage will look a little different. Within each cycle, we have three steps:

1) Observe Reality: What currently exists? How effective and how enjoyable is the design as it exists now? How many more cycles will be required to be ready for delivery? What constitutes a 'successful' design? *This identifies what we know, what we think we know and what we don't know.*
2) Create a Vision and Map it: Human creativity meets the engineer. This includes a meeting with all stakeholders including a representative of the users. This should result in design parameters, change documents and a road map on how to get there.
3) Build and Document: This is building the product, system or process. It includes creating documentation on the design itself and how users will use the system. This leads back to observing reality.

It is not just user-centered design. The whole business needs to be user-centered. You are creating a **User Centered Business Practice.**

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A possible design scenario follows. Depending on the size of the project, all or some of the steps will be performed entirely in-house. Often, a few of the steps can be contracted out to get a fresh perspective.

Initial Cycle Sometimes an informal cycle.

1) Observe Reality: Reality is the foundation of most ideas and thoughts for improving a system. This necessarily comes first.
2) Create a Vision and Map it: You have a vision or idea for a Product, Service, or System. Create a high-level written description of the vision. The idea makes it around the office and gets molded. This stage may take much time or be very quick. Most people think of this as the start of the process.
3) Build and Document: This step culminates with a group of interested parties (stakeholders) documenting the idea with its potential benefits and problems mapped out.

Primary Design Cycle The major planning and design cycle.

1) Observe Reality: Start with the customer or user but don't forget to observe the other stakeholders.
♦ Create detailed profiles of customers/users and divide them into user groups. Remember, these divisions are yours, not your customers or users. Don't expect them to know which of your groups they belong in.
♦ What are your users or customers goals? What needs and wants are they

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Usability from Passion to Practice (continued)

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based on? What experiences do they seek?
♦ What strategies do they currently use to reach those goals? What systems, products and processes currently exist and what of these are yours? Do field studies if necessary to find out.
♦ How successful and how satisfied are they in reaching their goals? Ask them.
♦ What strategies to improve their experience do you propose they use? Remember, unless it improves the experience for them, it is meaningless.
♦ Does it pay to create a new or improved solution? Do cost/benefit analysis.
♦ Who are the stakeholders and what is their perspective (read bias). Create Stakeholder document outlining their personal goals and biases.

End result: Basic design document focusing on business goals and containing:

√ Customer Profiles and User Groups
√ Customer Goals
√ Customer current strategies
√ Field study results including satisfaction with current system.
√ Proposed new products and strategies for your customers
√ Cost / Benefit analysis
√ Stakeholder document

2) Create a Vision and Map it: Based on the information gathered above, Design the Product, Service, or System.
♦ What process do you need to create to make the product, service or system work?
♦ Create a detailed list of tasks to be accomplished by the user.
♦ Design task flows.
♦ Assign weight to tasks and relate them to the user groups. A matrix of User Group/Task/Importance is helpful.
♦ Create a feature list and relate it to the tasks the customer/user needs to accomplish.
♦ Create usability benchmarks to judge the effectiveness of the design. How many design cycles will be necessary to be ready for release?

End result:

√ Detailed Design Document with critical information on:
√ Task List
√ Task Importance Matrix

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√ Feature List related to the above Matrix
√ Usability Benchmarks
√ Project schedule

3) Build and Document: This is where the heavy lifting takes place. Starting with project design standards, general design standards and a primary design, create prototypes and system architecture.

End result:

√ Prototypes and/or style sheets to begin testing with users
√ Early design documents
√ Architecture documentation

Repeat Cycles This cycle is repeated in whole or part as needed. This is the Iterative nature of user-centered design. Each time through, you will be checking the overall design and, as the design firms up, you will be testing less and less important features of the design.

1) Observe Reality: Check your view of what is important to your customers or users.
♦ Perform informal usability inquiry.
♦ Create ‘Phantom’ users based on your user profiles and walkthrough prototypes.
♦ Perform more formal user studies on a few users. Try to get representatives from your major user groups. This does not need to be a full-blown usability test to gain in understanding.
♦ Review original assumptions about users and user groups. Adjust your user profile accordingly.
♦ Document users actual actions as well as what they said.

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Usability from Passion to Practice (continued)

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End Results: Both informal and formal results from user tests as well as improved designs.

- √ Create Scripts based on the most important tasks for each user group
- √ Outline tasks actually performed
- √ Predict what you think will happen and compare it to what actually happens. Where are the surprises?
- √ Phantom user results.
- √ Scripts for user tests including what tasks would be tested. What strategies did actual customers use to accomplish their goals?
- √ Updated User Profiles and assumptions about user groups
- √ Proposed design changes

2) Create a Vision and Map it: Make design decisions and create refined designs. Justify your decisions with your findings from user tests and design professionals.

- ♦ Map the changes needed to the design
- ♦ Map the documentation process in preparation for release

3) Build and Document: Code work as well as documentation work here. This is where all of the pieces need to come together to see how well they work.

- ♦ New prototypes or completed designs
- ♦ Create documentation for release with the product. This may be paper instructions or online help or information for customer service reps.

Release Cycle This is truly the first step in the following release.

1) Observe Reality: Prepare for Product/Service/Process release. Are you really ready?

- ♦ Formal usability testing may be done here. If testing is done early and often, a full-blown study may not be necessary. Information gathered here may not be useful for this version as it may be too late to change designs or documentation.
- ♦ User test for Out-of-the-Box experience.
  - √ Installation
  - √ Help
  - √ Beginning tasks

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- ♦ Post release information gathering
  - √ Test with real users
  - √ Survey users
  - √ Get reports from Help Desk on product problems
  - √ Perform web activity logging.

End Results: Documentation for improvements for the next release.

In establishing a usability practice in your organization, start somewhere focusing your vision on the users needs and wants. With practice, the organization begins to use the user-centered model in situations other than web or software design. The intent is to improve your business model by focusing on your customers needs first. You are creating a **User Centered Business Practice**.

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Marketing Research Opportunity:

Marketing Research Opportunity: Director of Data Collection position open at 18 yr. old Market Research Company. Full time, with benefits. Primary duties include managing/directing a staff of 4 supervisors and 40 part-time interviewers. Requires 5 years experience managing a market research phone center; supervisors and interviewers. Good written and verbal communication skills are a must as well as Microsoft Office experience.

Please contact:
Carolyn Olson
Phone: 612.378.5040
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colson@cjolson.com

"Research on the Front Lines of Retail Marketing"

By Allan Floyd

The March meeting of the Upper Midwest Chapter of the MRA was held on March 14th at the Hotel Sofitel in Bloomington.

The program presented was a panel discussion entitled "Research on the Front Lines of Retail Marketing." The panel was moderated by John Cashmore of Market Resource Associates. Participating in the panel discussion were:

- ♦ Christine Anderson, Market Research Project Lead, Target Corporation.
- ♦ Kathy Fredell, General Director of Marketing Information, Marketing Research Department, SUPERVALU.
- ♦ Herman Milligan, Jr., Ph.D., Assistant Vice President in the Market Research Department of Corporate Marketing, Wells Fargo and Company.

Panel members were to discuss technology and methodology trends over the next 5-10 years in Retail Marketing research, explain how these trends will affect purchasing decision made by marketing researchers in the Retail Industry, and divulge what marketing researchers in the Retail Industry will expect from research suppliers in the future.

Christine Anderson, Target Corporation

Christine noted that her three-person department handles all of the marketing research except advertising for all parts of the entire corporation—including Target stores, Marshall Fields, and Mervyn's.

Regarding future technological and methodological trends, Christine sees two paths of focus: one is the higher tech approach which primarily applies to quantitative research, and the second is a lower tech approach that applies to qualitative research.

Within the higher tech trend, there is a definite move to on-line surveys. Target Corp. has completed a number of these surveys. The appeal of on-line surveys is the speed of results, the relative low cost, and the richness of data one obtains from open-ended questions. While on-line survey samples are becoming more representative over time, there are still concerns about how well minority groups, especially Hispanics, are represented.

Christine also sees her company moving more into panel research, especially with population segments which have a lower response incidence. However, Target will be very selective on which panels they use. This is because some panels are too small, and other panels are so over-used, that the participants become "professional respondents."

Concerning the lower technology approach (focus groups, in-store shop-alongs, and in-store intercepts), Christine sees these methodologies continuing in the future because of the need to get inside the heads of shoppers. Target Corp. has made little use of on-line focus groups, primarily because its targeted focus group respondents are so easy to recruit.

With both qualitative and quantitative research, Target is looking for value and fast turn-around time from its research vendors. Christine noted that the retail world is not particularly "research-driven." In fact, Target Corp. has been very successful in making "gut instinct" decisions. Thus, the research that is done focuses primarily on customer satisfaction, feedback on new concepts, and understanding the purchasing process. Because research is used selectively, it is important that it be relevant, impactful, fairly priced, and completed quickly. (Concerning the last requirement, Christine noted that Target's corporate *mantra* is "speed is life.")

Concerning how these trends affect the vendor purchasing decision, Christine noted that Target looks for vendors with proven track records in their areas of expertise. While Target Corp. is a very innovative in the way it operates, it is very conservative in choosing vendors—that is, internal clients want the psychological assurance that they are using experienced vendors with proven methodologies. Moreover, because Target

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Research on the Front Lines (continued)

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Corp.'s corporate climate is detail-oriented, the company expects its vendors to be detail-oriented as well. However, vendors are expected to work closely with their Target MR Department contact, who will stay very involved during the entire project. In addition, vendors are expected to deliver a high quality product with a fast turnaround time, having a "whatever it takes" attitude. "Quality" includes data accuracy and writing skills that deliver a report that "tells a story."

Similar qualities are sought in qualitative research vendors. Target wants "attention to detail," especially in recruiting. Moreover, Target wants a high energy moderator, especially one who is good at crowd control in focus groups held with high energy respondents who want to talk all at once.

Regarding vendors, Target looks for a known quantity rather than just looking for the lowest bid. In fact, the company often chooses a vendor without sending an RFP. However, because Target's high expectations result in high turnover among vendors, the company is always looking for new vendors.

Katy Fredell, SUPERVALU

Katy also noted that she has a small research department which handles all of the research for all segments of her very large company, including corporate and all of its grocery chains.

Kathy centered her remarks on four major challenges she saw facing the research industry, especially retail. In this context, she noted how these challenges would affect supplier vendors.

Kathy noted that the face of research has changed dramatically over the years, particularly in the volume of data collected and the speed with which it is collected. This forces researchers to place more emphasis on "data integration" than on "data gathering." In Kathy's view, this introduces four major challenges:

1. data integration management—the large volume of available data will challenge researchers to bring it all together in a meaningful format to enable a company to make meaningful business decisions.

Kathy noted that SUPERVALU has over one billion rows of data which change frequently. The company talks to 20,000 customer every year, plus doing over 100,000 customer spottings annually.

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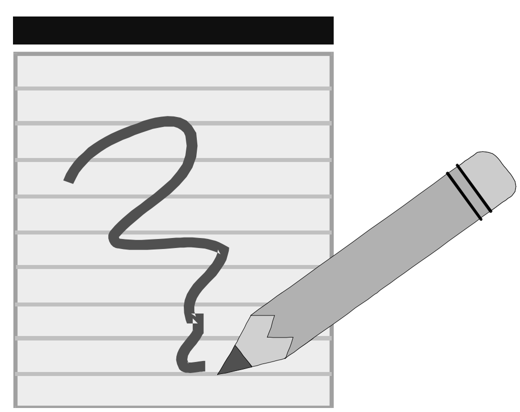
Past Presidents Committee Update!

When the Past Presidents Committee was asked to look into ways of expanding the end-user segment of our chapter's membership, it was determined we could better understand why some end-users join the MRA and others do not by conducting focus groups with members and non-members. Groups were held at Focus Market Research on January 29th and 30th, co-moderated by Kathy Dumas of K. Dumas Associates and Harold Cook of Cook Research and Consulting. Their report and recommendations are being reviewed by the chapter's Board of Directors; a summary of the results will appear in the next Verbatim.

What do You Think???

The data collection phase of the 2002 Minnesota/ Upper Midwest Chapter Membership Survey has begun! Now is the time for all members to give feedback to help the Chapter leadership provide the best possible planning, programs and events. We want to thank all of those members who have taken the time to participate and urge the rest of you to set aside a few moments to take this important survey. If you'd like, you can call 952-942-7564 and ask for extension 40 to set up a convenient interview time. Stay tuned for the results.



Relationship Selling — the strategy that keeps clients coming back!

Why is a *relationship* necessary in the art of selling? Ellen Glatstein, Chief Operating Officer at Ideas to Go, Inc. in Minneapolis helped unravel this important and satisfying business philosophy at the February MRA Education Event. The presentation focused on creative methods of increasing your clients' identification with your company — not only the service you provide, but also with *you*, on a more personal level. The outcome of successful Relationship Selling is that your client thinks of you — *first* — when it comes to new research oppportunities or other business challenges.

In this fun and interactive presentation, which was held at Ideas to Go in the Riverplace complex, Glatstein discussed how we can give our clients a good feeling about working with us, simply by asking questions, paying close attention to to what we're told, delivering service above and beyond what is expected, and following up with notes or cards or even little gifts or relevant cartoons that make our clients feel good about working with us.

"Make sure you make your client *look good*" was the prevailing message that Ellen Glatstein imparted to her audience. "Relationship Selling means more than being responsive to your client's needs," Glatstein told us "It means paying attention to the opportunities that clients might mention in passing, offering solutions that assist clients in achieving their objectives and knowing your contact on a more meaningful and personal level.

Ellen expounded on the following principles during her 90-minute presentation, with time for audience participation and brainstorming.

* Networking — never turn down an opportunity to meet with new contacts, even if you believe it might not be the best use of your time at that moment. You want your name to be associated with cooperation and generosity.

* Bonding — *listen more than you talk.* Ask clients about their hobbies and interests. Keep a file with this information, and find creative ways to let the client know that you identify with them as a person, not just a name on a roster of client companies.

* Hear opportunities and offer solutions — sometimes what the client needs is not in our realm of expertise, and it's okay to say so as long as you can point your client in the right direction with confidence.

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* Excellence in execution — when we take on a project for our client, we have to provide *more* than they expected in the way of planning, being oriented to the smallest details, and carrying out the project with demonstrated enthusiasm and dedication to the task.

So how far should we go? "I stop short of offering to babysit a client's children," laughed Ellen, "But I certainly learn and retain and follow through with enough information about my client so that he or she knows that I care — not only about the business opportunity, but also about finding ways for him or her to achieve excellence so that *they look good for having chosen me as their partner* in their project."

Rosemary Sundin
Orman Guidance Research Inc.

Update on Proposed Postage Rate Increase

Postal rates are expected to increase on June 30.
The overall average increase for the case is 7.7%; specific increases include the following:
* First-Class, 7.7%,
* Priority Mail, 13.5%,
* Express Mail, 9.4%,
* Standard (Regular), 7.8%,
* Parcel Post, 6.4%.

Below you can use these links to gain more information:

PRESS RELEASE -
http://www.prc.gov/news/2002/press/Release.htm
BULK RATES -
http://www.prc.gov/news/2002/press/BulkRates.htm

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<u>2. changes in consumers</u>—customers now have shorter attention spans because of the fast pace in which people live their lives and the influence of computers and video games on life-styles. This "electronic gadget" orientation means that data can be gathered more quickly through electronics (on-line surveys, kiosks, etc.). However, this new pace of life also results in higher refusal rates on telephone surveys. Moreover, purchasing patterns have changed—that is, people now make much more use of the mail and the Internet than they did previously. All of the changes cited above are affecting the way people are recruited marketing research surveys. A recent survey found that people now prefer to be interviewed by mail or via the Internet.

These trends create the need for shorter, more engaging interviews, for finding new ways to ask questions, and finding ways to increase response rates.

<u>3. demographic changes</u>—America is changing demographically. There are many more Hispanics and Asians than there were in the past. Hispanics now account for 14% of the population, reaching 25% in some major metropolitan areas. Asians are a fast growing ethnic group as well. Because of these demographic changes, the challenge is to write questionnaires that are more sensitive to these various ethnic groups. There is now a need for multi-lingual interviewing in many areas.

<u>4. skill level requirements for research professionals</u>—no longer how long they have been doing research, they must be adaptable to change in order to survive. They must be forward-thinking instead of "staying in the trenches where they are." They will have to adapt their questionnaire writing skills to adapt them to the Internet, including writing faster, shorter questions. They will also need to consider ethnicity as they write questionnaires in the future. Also, the interviewers whom vendors hire in the future must have good language skills (an increasingly diminishing phenomenon) so that others can understand them.

With all of the challenges listed above, researchers will be expected to have the ability to do more rapid analyses of data. They will have to become more strategic in their thinking, seeing the bigger picture without losing their attention to detail. Moreover, researchers will be expected to transform research information into actionable recommendations and strategic insights.

Kathy noted that, while these challenges are formidable, if progress can be made in these areas, research will become even

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more important to businesses in the future.

<u>Herman Milligan, Jr., Wells Fargo Bank</u>

Herman also noted that he works for a large, diverse corporation which does a lot of research. At Wells Fargo, the large challenge for those in marketing research is integrating all of their vast and diverse research activity.

Herman structured his remarks around a discussion of technological trends and the effects these trends will have on the purchase decision.

Herman described four technological trends:

<u>1. the trend toward on-line research</u>—while there are many challenges and opportunities in this area, people still want to have human contact. Because of this Wells Fargo will still use the traditional methods of gathering data (e.g., telephone interviews, focus groups, in-store intercepts, etc.).

<u>2. the use of linkage research</u>—this methodology will grow in the future. Herman's group is now faced with the task of integrating customer satisfaction research with employee satisfaction research and integrating both of these with business metrics. Therefore, Wells Fargo is looking for vendors who can offer all of this, the "360 degrees."

<u>3. data mining</u>—this will also grow in importance. The future challenge is to determine how soon in the data interaction process one can start mining the data. In addition, Herman noted that modeling has its limitations. One must also examine psychological factors to gain a deeper understanding of the issues being studied. An example of this is studying a customer's behavior patterns in regard to

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their banking activities and trying to predict which additional products will be of interest to them. Herman further noted that today's modeling technology cannot adequately address the large issue of the relationship between "value" and money.

Similarly, Herman noted that his company needs to study current and potential customers from both a micro and a macro perspective. That is, it is important to learn the unique characteristics of market segments such as African-American and gay/lesbian, but it is also important to identify those factors which are common to all demographic market segments. An example of this challenge to find commonalities is to learn how different market segments view Wells Fargo's "stage coach" logo.

4. do not call (DNC) lists—not only are these becoming more of in issue as they pertain to increasingly lower telephone interview response rates, but there is a concern that the growing number of people putting themselves on these lists will affect the randomness of the sample obtained via telephone interviewing. Concerning DNC lists' effect on vendors, in states in which companies can be fined for calling a number on the DNC list, the question arises as to whether Wells Fargo or the vendor is responsible for paying the fine. Because of this problem, Wells Fargo is now doing research on research. That is, the company will do a project in a particular state using several different methodologies. At the end of the project, Wells Fargo will examine the randomness of the samples obtained from each of the various methodologies employed and decide which best meets their needs.

Herman identified five topic areas in discussing how the technological trends he identified may affect purchase decisions for marketing research:

1. trust—this issue is key to a bank's relationship with its customers because banks are dealing with a customer's money. Thus, when a bank chooses vendors to do research, the structure of the research methodology and the personality of the interviewer must convey "trust" to the respondent.

2. diversity—this is becoming more important in today's business world. Wells Fargo is very attuned to this issue, and it expects its vendors to be as well. Wells Fargo believes that it has to mirror its customer base regarding diversity. For vendors, diversity not only means being able to conduct marketing research among all segments of the market (African-Americans, gays/lesbians, etc.), but it also means that vendors have to examine how diverse they are themselves. While vendor selection is not based on the vendor's diversity mix, *per se*, this is something Wells Fargo will look at when making a choice.

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3. expertise with new methodologies—Wells Fargo will be looking at what a vendor brings to the table regarding the newer technologies such as data mining, web-based focus groups, etc.

4. actionable data—Wells Fargo is not only interested in gathering data, but in how to utilize that data to put it into action. It wants vendors with the ability to do this.

5. partnerships—Wells Fargo likes to work in partnership with consultants and vendors. This means that its marketing research department will evaluate the collaborative working skills of its vendors.

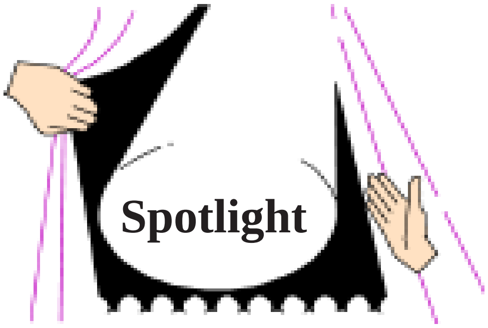
The three presentations were followed by allowing attendees to ask follow-up questions of the three presenters.

Sumitted by Allan Floyd

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 Tammie Frost-Norton at tammie.frost-norton@research-int.com



The Verbatim will **"SPOTLIGHT"** a different Board or Committee Chair's Company in each issue.

COOK Research & Consulting, Inc.

Harold Cook formed Cook Research & Consulting, Inc. in February 1987, after having spent the previous four years as one of three principals at IMI Research here in Minneapolis. Prior to 1983, he worked with other research companies, both local and out of state, where he held positions that included Account Manager, Marketing Director and Research Systems Director. Throughout the past twenty-seven years he has worked, in addition, as a Focus Group Moderator. His career in market research was preceded by fourteen years in the academic field, teaching communications, speech and mass media at the college level.

Cook Research & Consulting, Inc. provides an in-depth assessment of each client's research needs, and guidance toward creative solutions. Cook Research is a full-service marketing research firm conducting quantitative and qualitative research with consumers and professionals in all fields.

Company Associates

Cook Research & Consulting, Inc. is truly a family business. Harold and Judy Cook own the company and their son, Jeff joined them in August of 1997. Other Cook Research "family members," have also been working with the company since nearly the beginning, including Bobbi Schribman, Jean Bettes, Sharon Brunn and Lance Lorentz.

Current Company Activity

In its fifteen-year history, Cook Research has conducted over 1,750 market research studies for approximately 500 satisfied clients in the fields of foodservice, business and industry, medicine and healthcare, and consumer products and services. More than half of these are focus groups and personal interviews. Harold Cook personally moderates approximately 150 groups per year. The remainder of the studies are telephone, mail, email and in-person surveys.

Qualitative Facility And Services

Cook Research & Consulting, Inc. has a recently remodeled suite of offices in the Southdale Office Centre. Its prime location near Southdale Shopping Center increases respondent cooperation, since people view the area as safe and easy to get to. Their focus group room will accommodate up to 12 respondents and is equipped with high-speed Internet access and video recorders with 3/4" and 1/2" tape capabilities.

Cook Research also includes a spacious and comfortable viewing room that will accommodate up to 15 clients. An attached lounge contains a kitchenette with refrigerator and microwave oven, a TV monitor, computer, printer, as well as FAX/modem telephone lines for client use. Also available is a test kitchen equipped with two conventional and three microwave ovens.

The facility also offers a state-of-the-art, all-remote Super-VHS color video system with 3 color cameras, a character generator with roll, crawl and text-editing capabilities, and a color video monitor in the viewing room.

Quantitative And Consulting Services

Our management staff (with over 40 collective years of market research experience) is equipped to direct both large and small telephone surveys as well as mail surveys, central location taste tests and in-person interview-

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ing. They also stay in frequent communication with clients and advise them on the progress of the study, as well as of any problems encountered.

Our consulting services provide an in-depth assessment of research problems, plus guidance toward creative solutions.

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Once upon a time....... (continued)

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satisfaction study, one of his customers, the cow, reported “I am so happy with my new shoes I am literally over the moon!”

B. B. Wolfe was sent away with his tail between his legs and Charley helped Goose Industries stay on the right track and bring in lots of gold, even in the tight economy.

So, what’s the moral of our little story? Market research is critical in a tight economy. Yes, market research can cost a little money, but think back to Al and Bob and ask yourself—what’s the cost of making the wrong decision?

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