Online Research

Matching Decisions and Data

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Agenda

➲ Online Surveys

➲ Online Panels
   ➢ HOTWEB

Online Surveys
the well known problems

- Self selection bias

- No way of estimating the population size

- No randomization, so no statistical validity

Online Surveys
what are they good for?

Issue	Measurement	Comment
How many users are there?	Estimating population size	✗ ✗
	Estimating segment size	✗ ✓
How are users changing?	Trends in population estimates	✗ ✓
	Trends in segment sizes	✓
What do my customers want?	Segment behavior, attitudes, preferences	✓ ✓
How do my customers differ from others?	Comparing segment behavior	✓ ✓

The Changing Web

	First (Apr 94)	Second (Oct 94)	Third (Apr 95)	Fourth (Oct 95)
AGE (Average)	28	31	35	33
INCOME (Avg)		$59,600	$69,000	$63,000
GENDER				
Female	5	10	15	29
Male	95	90	85	71
MARITAL				
Single (US)		47	43	39
EDUCATION				
Udergrad Degree		34	35	32
Grad/Prof Degree		39	32	25
OCCUPATION				
Educational	43	31	24	31
ACCESS				
Educational		51	27	32
HARDWARE				
Mac/PC	8.5	48	78	82
Unix/Others	91.5	52	22	18
WILLING TO PAY?				
No	40	22	23	32
Maybe	55	71	74	68

If you build it, they will come (?)

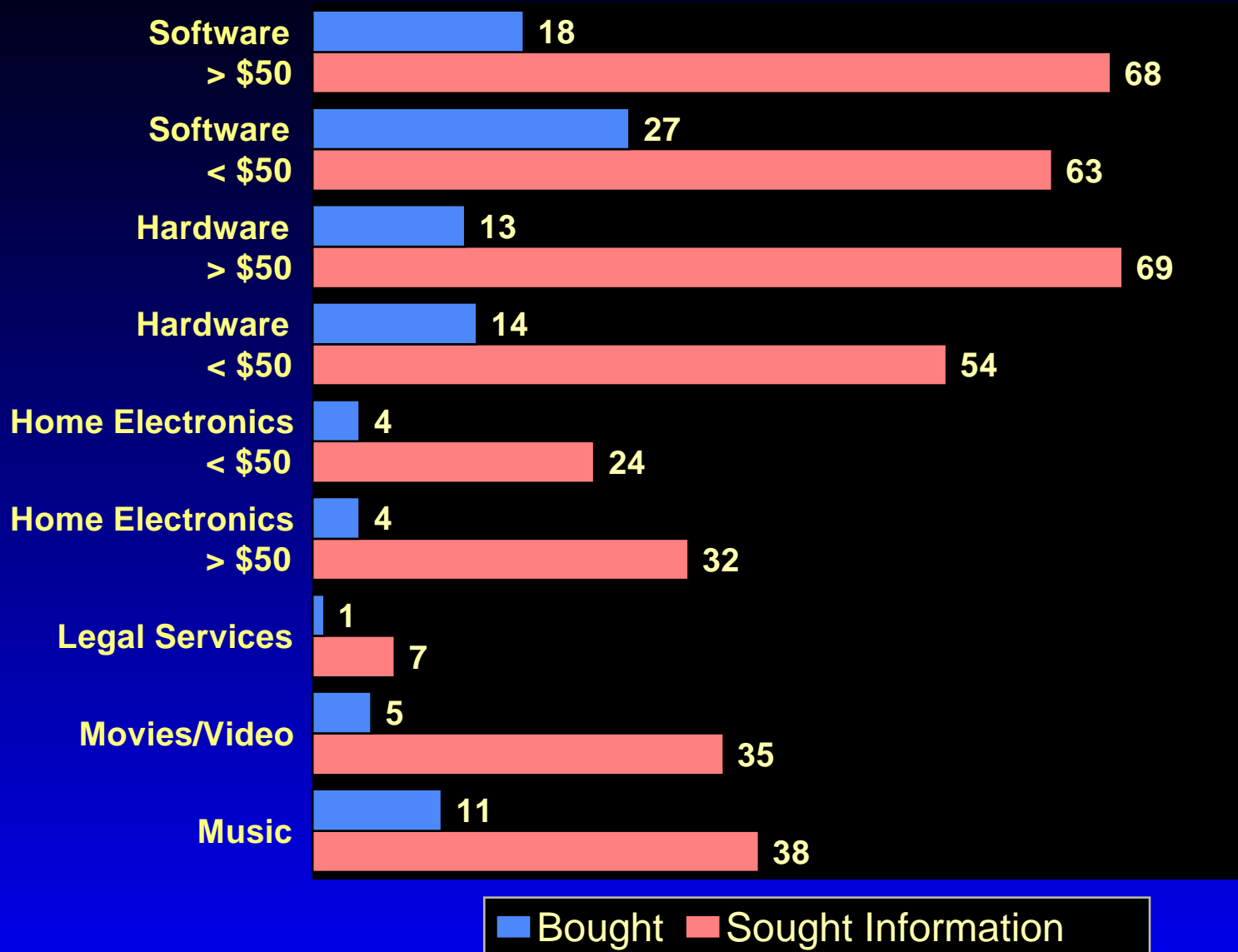| Category	# of WWW Vendors Q1, '95	% of Respondents Who Have Bought Online
Software	669	30
Hardware	308	18
Music	249	11
Books	136	14
Travel	115	10
Legal Services	89	1
Apparel	63	6
Videos	52	4
Home Electronics	32	5
Plays/Concerts	7	4

Online Surveys
test-retest stability

Ü responses are well thought out

Ü very good stability properties

Ü and, there is variation too!

Online Information Seeking and Buying I
(% of respondents who sought information or bought products/services online over the past 6 months)
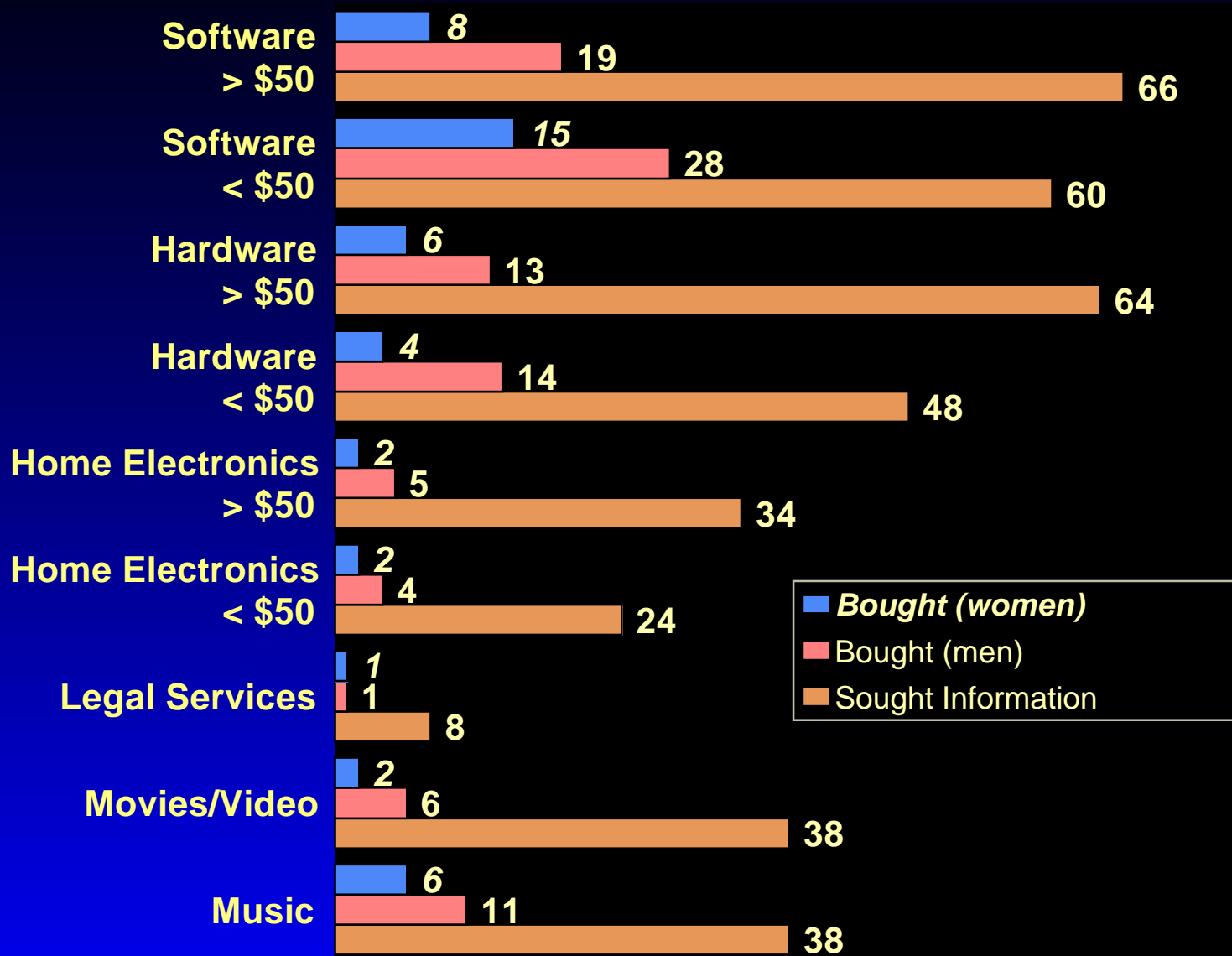
Category	Bought	Sought Information
Software > $50	18	68
Software < $50	27	63
Hardware > $50	13	69
Hardware < $50	14	54
Home Electronics < $50	4	24
Home Electronics > $50	4	32
Legal Services	1	7
Movies/Video	5	35
Music	11	38

■ Bought ■ Sought Information

Online Information Seeking and Buying I
## (% of all respondents who sought information or bought products/services online over the past 6 months)

Category	Bought (women)	Bought (men)	Sought Information
Software > $50	8	19	66
Software < $50	15	28	60
Hardware > $50	6	13	64
Hardware < $50	4	14	48
Home Electronics > $50	2	5	34
Home Electronics < $50	2	4	24
Legal Services	1	1	8
Movies/Video	2	6	38
Music	6	11	38

Legend:
- Bought (women)
- Bought (men)
- Sought Information

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Relative Importance and Perceptions of WWW Vendor Characteristics

(Average scores on 5 point scales:
Higher numbers signify greater importance in choosing a WWW vendor,
and better evaluation of WWW vendor compared to other traditional vendors)
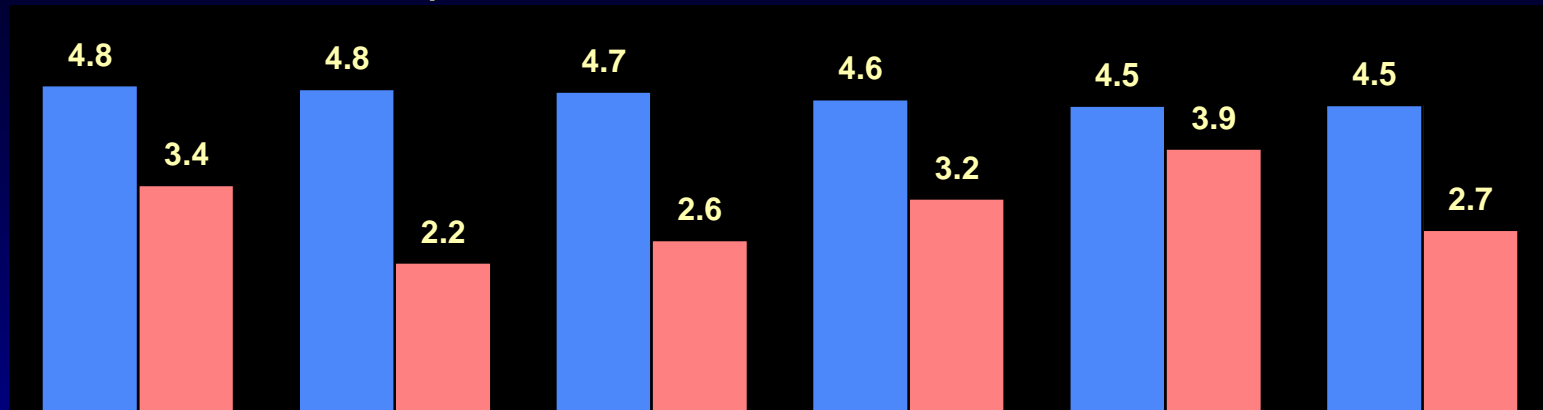
■ Importance   ■ WWW Vendor vs Traditional

	Importance	WWW Vendor vs Traditional
Quality of Information	4.8	3.4
Security	4.8	2.2
Reliability	4.7	2.6
Timely Delivery	4.6	3.2
Easy to Contact	4.5	3.9
Variety	4.5	2.7
After Sales Service	4.4	3.0
Easy Refunds	4.4	2.6
Easy to Order	4.4	3.6
Easy to Cancel	4.3	2.9
Easy Payment Process	4.2	2.9
Lowest Price	4.1	3.1
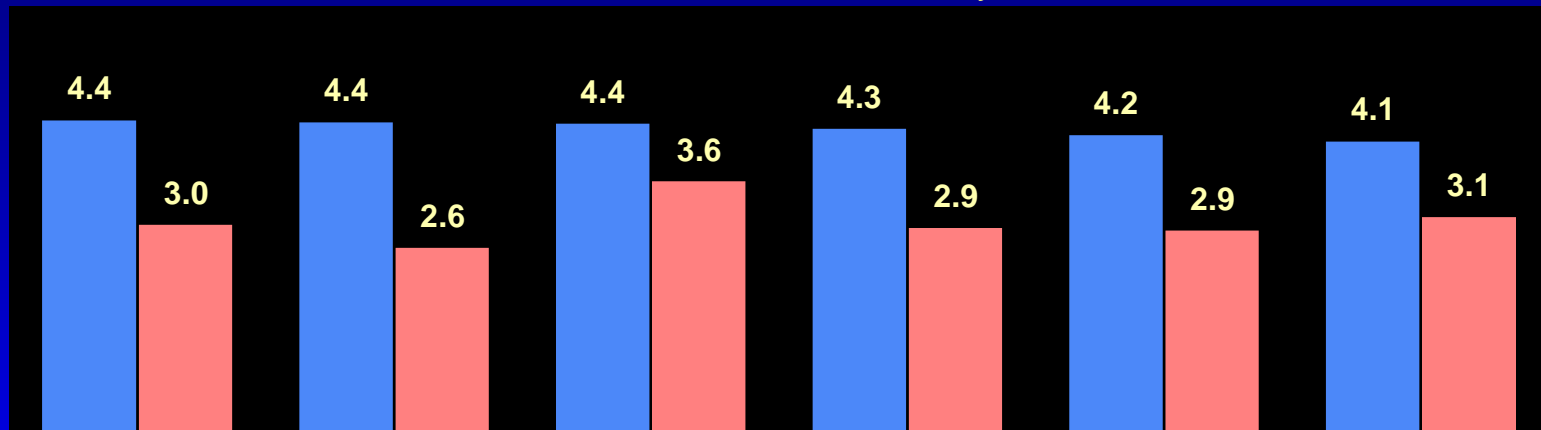
Relative Importance and Perceptions of WWW Vendor Characteristics
(Average scores on 5 point scales for all respondents:
Higher numbers signify greater importance in choosing a WWW vendor,
and for perceptions, scores above 3 indicate WWW vendors preferred to other traditional vendors)
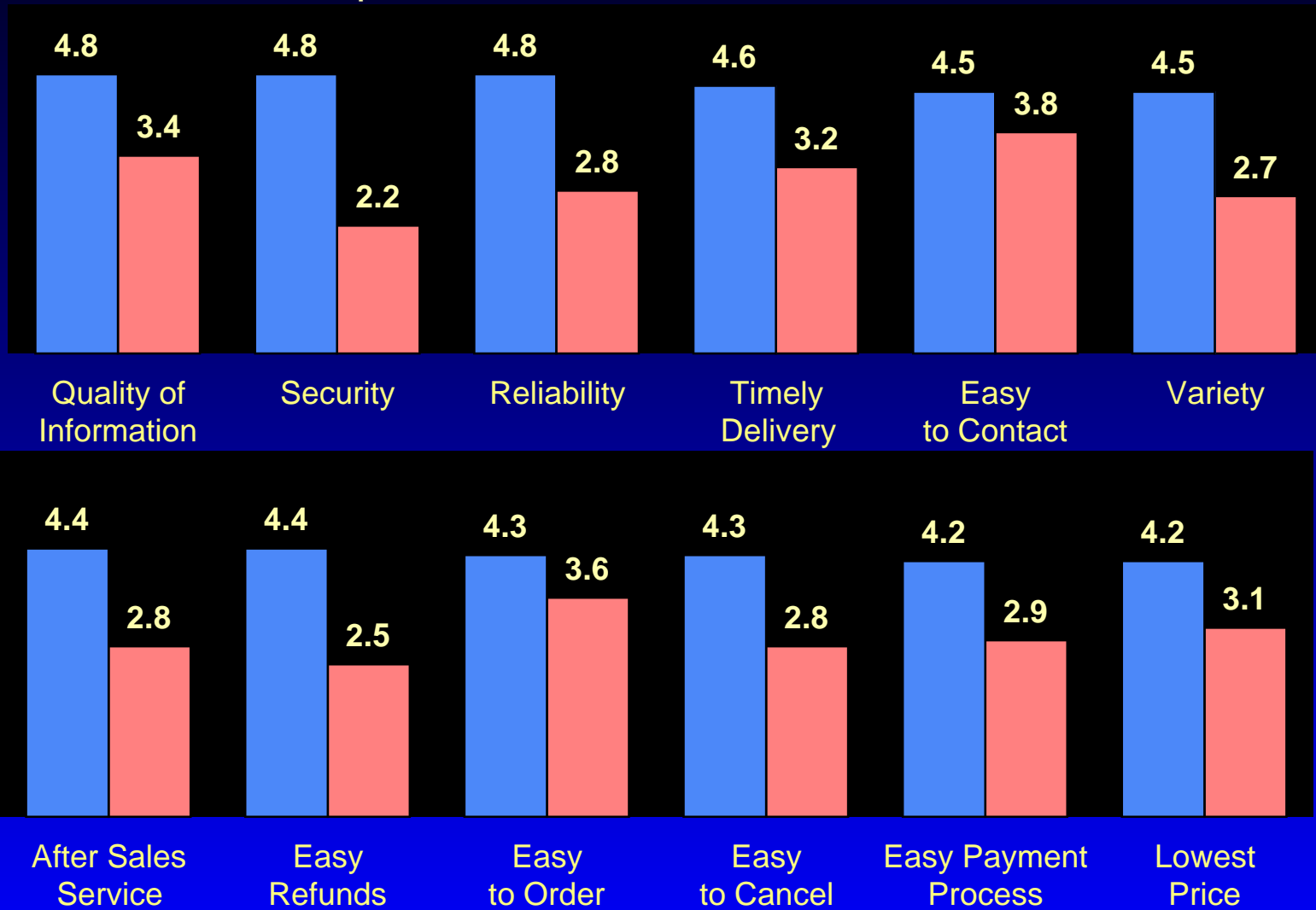
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Easy to Cancel	4.3	2.8
Easy Payment Process	4.2	2.9
Lowest Price	4.2	3.1

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Payment Options
(Average scores on 5 point scale: Higher scores imply greater usage likelihood)

Survey 3

Legend: ■ All ■ USA

Option	All	USA
E-mail	2.0	1.9
Toll Call/Fax	2.3	2.3
Vendor Specific Account	3.3	3.3
Secure Transmission	3.8	3.9
Tollfree Call/Fax	3.8	4.0
Preferred 3rd party in	3.4	

Survey 4

Legend: ■ All ■ USA

Option	All	USA
E-mail	1.9	1.9
Toll Call/Fax	2.3	2.3
Vendor Specific Account	3.2	3.2
Secure Transmission	3.4	3.4
Tollfree Call/Fax	3.8	3.9
Preferred 3rd party in	3.4	

Online Surveys
segment behavior

➲ those who are most concerned about reliability of secure transmissions, ability to cancel orders, doubtful of WWW vendor's reliability are least likely to buy online

➲ secure transmission is least effective for those users who most strongly believe that it is *"foolish* to provide credit information online"

➲ even those who generally buy a product very often through non-Web sources, but have strong reliability/security concerns, buy disproportionately less online (e.g., women in several product categories)

Online Surveys
some conclusions

- fast, cheap, global results not very different from those obtained through other studies

- ability to track segment level trends

- stable, behavioral insights

- *no size estimates*

- *limited details*

Online Panels
what are they god for?

➲   what do segments of interest to my company like best (even beyond my product category)?

➲   ability to test marketing options with chosen segments

➲   ability to selectively communicate with, and gauge responses of chosen segments

➲   how do specific segments use the Web, (or how and where should I be participating)?

Online Panels
HOTWEB

- ⮕ 150 Web users send their hotlists and history files, on a daily/weekly/monthly basis

- ⮕ Occasionally respond to questionnaires which provide greater insights into their lifestyles

- ⮕ Have responded to one online concept test (interactive conjoint)

Online Panels
what are they good for?

⮩ Avoid representativeness problem (if you know what segments are of greatest interest to you)

⮩ Detailed understanding about the interests, and Web usage of customers permits better online advertising decisions (great supplement to log file based evaluation of Web sites)

⮩ Ability to do "complicated" research, on a global basis

Online Research

➲ Despite well known problems, online research can be very useful, especially when interest centers on
  ➢ trends
  ➢ segment level behaviors
  ➢ detailed understanding of global users
  ➢ the research questions are complicated
  ➢ costs are an important concern