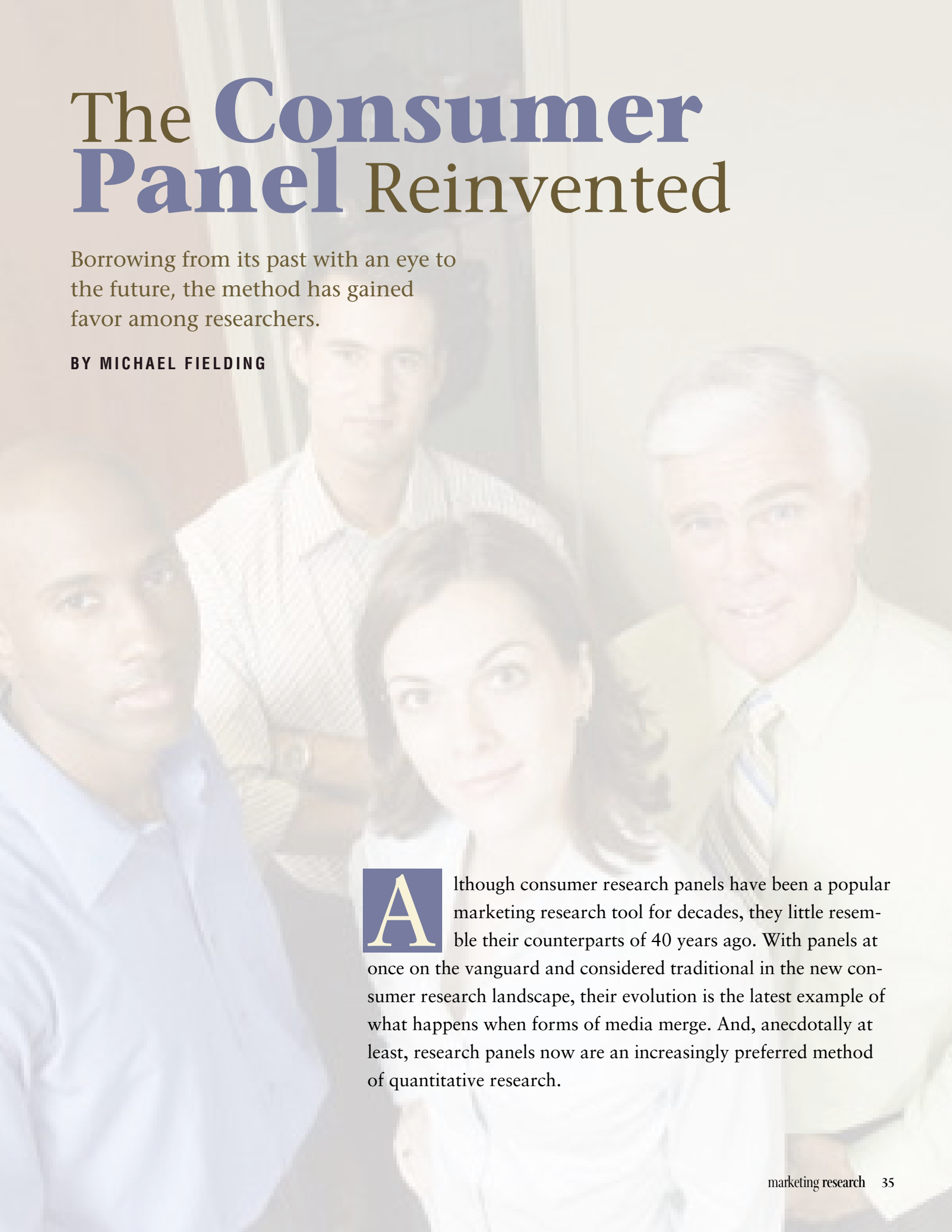




The Consumer Panel Reinvented

Borrowing from its past with an eye to the future, the method has gained favor among researchers.

BY MICHAEL FIELDING

A

lthough consumer research panels have been a popular marketing research tool for decades, they little resemble their counterparts of 40 years ago. With panels at once on the vanguard and considered traditional in the new consumer research landscape, their evolution is the latest example of what happens when forms of media merge. And, anecdotally at least, research panels now are an increasingly preferred method of quantitative research.

Executive Summary

Today's consumer panels are a special hybrid of both quantitative and qualitative research that has evolved in the last four decades to become a popular and preferred marketing research tool. In creating modern panels—which blend traditional telephone methods with online methods—researchers have leveraged technology against proven techniques of assembling so many participants, illustrating the need for efficient primary research.

“Definitely consumer panel research is the way to go,” asserts Tom Kadala, president of Hastings-on-Hudson, N.Y.-based ResearchPays Inc. “It is an increasingly popular method of quantitative research. It’s taking the focus group (which, like the consumer panels, is based on recruited participants) and applying it to the science of quantitative research.”

Old With New

Consumer panels are large numbers (into the tens of thousands) of consumers who have agreed to respond to research inquiries. Typically, the makeup of panels is controlled for accurate representation of various audiences. In working with the respondents, researchers have borrowed techniques from quantitative research (e.g., random telephone surveys, Internet surveys, mail questionnaires) and from qualitative research (e.g., focus groups), to create a unique hybrid form of primary research.

“Sometimes, when the response rates are skewed because some segments may be more eager to respond than others, the less responsive segments can be supplemented to yield properly representative yield,” says Joe Adler, managing partner at Bannockburn, Ill.-based The Angell Research Group Inc. “They can certainly be representative. And time and again, that’s what marketers seek.”

In recent years, researchers have increasingly leveraged technology against traditional methods of convening these large numbers of participants.

“What we’re seeing is people adapting principles of panels to other methods of surveys, so methods like telephone panels are being used more and more,” explains Jonathan Jephcott, executive vice president in charge of online and offline panels for Chicago-based market research company Synovate Inc.

For example, Jephcott touts the benefits of mobile-phone based panels that use Short Message Service text messages. He also uses online panels, which offer nearly instantaneous findings to the client.

Elsewhere, highly targeted touch-tone telephone-based panels and mail-based panels rely on traditional methods of conducting the research. But they take advantage of technology to make data gathering more efficient.

“Nowadays you can define the composition of your sample and select it quickly,” says Jephcott, who explains that researchers typically use a variety of media in preparing the panel. Recruited participants are often asked to complete an online registration survey, in which they offer household and other demographic information. (With three out of four American consumers having Internet access, researchers are no longer concerned about leaving out significant segments of the population.) Those data are compiled in a database, from which participants might be chosen for highly targeted consumer panels based on their data. The research itself might be conducted by telephone-based panels to online panels to face-to-face panels, depending on the population.

Panel Progression

The care and maintenance of consumer panels hasn’t always taken such a holistic approach. Jephcott says that smart marketers should understand how the research method has evolved to understand where it is headed.

There was a time in the ’50s and ’60s when consumer panel research was conducted through fieldwork. Consumers and marketers met face-to-face in semiformal settings to discuss products and preferences; essentially, they were focus groups.

The next decade brought about an era of self-completion, when mail questionnaires were sent to consumers to complete at their leisure. It coincided with the rise of prerecruited panels, in which large numbers of households were recruited and screened to determine their likelihood of participation. The step was absolutely necessary. “It became more and more expensive to use postal methods as the cost of postage and printing increased,” Jephcott explains.

By 1980, telephone-based methods began to catch on. “It used to get good response rates. But over time, due to abuses of the technique (such as telemarketers posing as researchers) and an era of caller ID, it gave rise to a very low response rate and a lot of hostility, too,” Jephcott says.

So the advent of the Internet brought exciting prospects for new applications for consumer panels. Initially, however, it



also posed a new challenge. With little or no access to e-mail addresses, researchers found it difficult to conduct random surveys. Furthermore, Kadala says that random e-mailed Internet surveys were “unfriendly” because users were asked to click on an unfamiliar link to a survey with an unknown end-point. “So, because you’re busy and you don’t know when it’s going to end, you have a tendency to just click through in hopes of getting that incentive they promised you,” he explains.

The evolution to online panels was a natural, then. Participants were familiar with the researchers and had already indicated their willingness to participate; meanwhile, researchers could target their efforts efficiently and complete their work cheaply and quickly.

Researchers then reintroduced the telephone—an old medium put to new use—and the consumer panel took on a fresh new identity. Telephone-based research, once a tool for random data collection, became an efficient means of conducting in-depth interviews with scores of people who were avail-



able and willing to participate in the research, rather than eager to hang up and return to the dinner table.

A Good Cause

These modern-day consumer panels aren’t always cheap. (A mid-sized online panel of 200 to 400 participants might cost as much to set up as using live interviewers, Adler says.) But they become cost-effective when conducted in larger sizes—costing almost half as much as traditional telephone surveys.

This evolution—from random mail questionnaires and telephone surveys to cross-channel consumer panels that target highly specific segments of the population—has taken time, but researchers agree that it all leads back to the need for efficient primary research. “Consumers are an endangered resource, and they need to be handled gingerly,” Adler says. ●

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