



## No Speeding

The ability to conduct surveys over the Internet with online research panels has changed the face of our industry. Studies can be done more quickly, usually for less, and sometimes even more effectively because of the visual cues that are possible.

Early skeptics were most concerned about the quality of sampling. That is still an issue, but other concerns have emerged. One of them is the absence of an interviewer to control the pace of the questions and answers. We like it that a consumer can answer more questions in a fixed amount of time versus a telephone interview. But we have come to realize the danger of what the industry calls "speeders."

Very simply, a "speeder" takes too little time. They may answer every question, but how good are those answers? There is no foolproof way to detect and trap speeders, but we have begun a simple discipline for doing so in our online research. After examining many past studies with different panel vendors, we have set a rough norm. Someone who completes the interview in less than 40 percent of the median interview time will be removed from the analysis.



The incidence of speeders in past research was rarely two percent, and did not vary across the major panels we use. That was reassuring, but we feel it important to take this extra step. On a practical level this means that we will collect data from a slightly larger sample. We will be looking for other ways to assure that you are getting the best possible data.

## Super Duper Cluster Analysis

While it is a general statistical method, "cluster analysis" is most commonly used in our field to define market segments from large sets of data. Any number of algorithms may be used, and each researcher tends to have his/her favorite. New ones crop up in the statistical and marketing literature, though end-users rarely care how we get the results.

Now our friends at Sawtooth Software have come up with a tool that is called Cluster Ensemble Analysis. It does not use yet another new clustering algorithm. Rather it runs a large number of solutions (thus, an ensemble) to derive a "consensus" solution.

We feel this is a significant advance, and have been very satisfied with the results of the software so far. It will definitely be our first choice for future segmentation research.

## Our Web Home

In the course of moving to our new office, we decided that a makeover of our web site was also in order. The site remains deliberately spare, but we think it is easier to locate white papers and other important information.

[www.action-research.com](http://www.action-research.com)

## The Wisdom of Crowds

As of this writing, the odds of the U.S. economy going into an official recession in 2008 are only about 24 percent, based on traders in the "InTrade" prediction market. The betting, so to speak, has moved consistently downward this year—we can but hope. The proverbial crowd expects the DJIA to close near 11,500 by the end of 2008.

## Professional Education

Really good books for real research professionals are not easy to find. The choice seems to be between hard-core academic tomes and glitzy pablum. We just stumbled on a publisher that seems to have some decent offerings. No vested interest here, but it looks like Paramount Market Publishing is worth a visit ([www.paramountbooks.com](http://www.paramountbooks.com)). If what we have ordered disappoints, however, we'll let you know in the next issue.

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## Honorable Intentions

If there is a more-common metric in marketing research than the five-point buying intention scale, we don't know about it. While no one takes the results quite literally, we want to believe that it is at least a relative predictor of future buying. We use it often.

But critics have never been in short supply. Bob Gerstley of Eric Marder Associates holds forth in the current issue of *Quirk's Marketing Research Review* on a number of the drawbacks to such "top box" measures (as he calls them).

The gist of his criticism, and one with which we concur, is that monadic interest ratings ignore the competitive context. We have observed many instances where interest in a product concept appears to reflect interest in the category at least as much as the particulars of this product.

Where feasible, the solution consists of choice questions. If I buy this, what would I buy less of? Conjoint is an extreme version (and a method the Marder organization disparages, as it is normally practiced). The norm for new product models is to use (monadic) purchase interest as a core measure, but in fact there are old traditions of assessing share instead.

Our opinion is that share/choice models are most effective in established categories where there are clear-cut alternatives. For very new products, they are less of an option.

## Pricing Power

Managers frequently worry about setting the right price for their products. As a rule, conjoint methods are the best tool we have for this purposes, but such research is not always an option. There may no time. There may be insufficient budget. There may not be a competitive set. But the question of pricing power won't go away.

So . . . we are exploring some methodological research in the coming months. The object would be see how well other, simpler measures about a brand or concept do in matching estimates of pricing power from the more-rigorous discipline of discrete choice modeling. How discriminating is buying intention (see previous note)? Our measure of brand valence? Familiarity? Quality? Value? We may be in touch to pick your brain about other candidate measures.

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## What Would Wilbur Say?

Fellow Minneapolitans among our readers know the downtown landmark of the Foshay Tower well. It will soon open as an upscale hotel, but spent most of its life as an office tower. Paul Riedesel enjoyed a corner office there for about a year in the mid-80s, which is why this comes up at all.

Completed in 1929, the tower was the creation of financier Wilbur Foshay whose name still emblazons the top on all four sides. John Philip Sousa composed and conducted a dedicatory march for its opening. The check bounced, as a portent of things to come.



Foshay was indicted soon thereafter for fraud, and never lived in the penthouse floors at the top of the tapering, Washington-monument inspired tower. As Paul found, the view was eventually blocked by neighboring towers.