



action line

occasional news and notes from action marketing research

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Archives

The promised paperless office has yet to arrive. A few of your companies are hyper-diligent about keeping all documents electronic, but most of us manage to accumulate as much paper as ever. That's certainly true for a research company although we don't have the volume of paper questionnaires that was a common a (half) generation ago.

Just so you know, here are our current practices with respect to document and data retention.



The half-life of actual data is not that long. We have our raw computerized data going back at least five years, and often longer. Electronic media do deteriorate, however, and we can't promise to preserve them forever.

Similarly, we will have electronic versions of report documents for at least five years. Sometimes we have older reports in paper form only. For continuously active clients (you know who you are), we try to keep reports in some format forever.

Then there are the paper files that we inevitably accumulate in the course of a project: e-mail printouts, hand-written notes, field reports, data layouts, etc. Their value deteriorates rapidly, so we have often thinned them out within a couple years. After five years we may keep next to nothing.

When we do dispose of paper files and diskettes, they are shredded by a secure

business service. We don't have a dedicated, hackable file server. We do have secure, off-site back-up of current/recent data, documents, and business records.

One could always do a little more, but we are confident that the client information we have is secure and that we keep archives for a prudent length of time

Predicting Events, Continued

In our previous issue, we wrote about "markets" for specific future events. The odds on intrade.com at the moment include:

- * 58% that Lewis Libby will be found guilty of something
- * 47% that bird flu will be confirmed in the U.S. before the end of March 2006
- * 87% that Central Park (NY) will receive at least 10 inches of snow this season
- * 15% that the Euro will be worth \$1.25 or more by year end
- * 24% that John McCain will be the Republican nominee for President in 2008
- * 6% that Condoleezza Rice will be the nominee

If there are markets in place for events that are more marketing relevant we are not aware of them. We still think there is money to be made by a system that would take bets on such things as:

- * Consumer confidence indices
- * Wal-Mart's share of anything/everything
- * Viewership of the Super Bowl, and/or the cost of a 30-second spot
- * The demise of one or the other major airline
- * The introduction of an accurate, cost-effective tool for measuring the ROI of advertising (the odds are now probably <0.1%).

The Word on Word-of-Mouth

We recently completed a proprietary survey among adult consumers on this timely subject. The subsequent series of reports is being made available to our clients and friends on a complimentary basis. To access them, you may go directly to

www.action-research.com/wom.htm

Currently we offer papers on:

- * The relative incidence and importance of WOM across a range of consumer categories.
- * How the complexion of WOM varies across categories.
- * Where men and women differ—or do not differ—in their reliance on WOM.

One sobering lesson is how uninformative WOM appears to be in some categories, notably packaged goods. You may think you have an interesting, buzz-worthy story, but counting on WOM without traditional media support is not likely to succeed. If in doubt, do some research.

Any work such as this raises as many questions as it answers. Many wish to define WOM as an information-seeking process. That may fit the conventional "rational" model of consumer behavior, but we think WOM is much more complex than that. While consumers may well talk to trusted friends or experts when planning a risky purchase, a lot of chat about brands and products is just chat. Its function is socio-emotional, not instrumental. What is the story in your category?

Folk wisdom holds that a little negative WOM can outweigh a lot of positive WOM. What is the story in your category?

To what degree can a brand actually create WOM? It can get ugly if consumers find out that a supposedly neutral party is actually getting paid to hype a brand. What is the story in your category?

Well-Deserved Salute

The August issue of the *Journal of Marketing Research* included a fitting tribute to one of the finest research practitioners we have known—Richard (Rich) Johnson.

Rich was truly a pioneer in the area of conjoint research. He knew the academic literature as well as anyone, but created eminently practical tools that have helped change the industry. Today, Rich heads Sawtooth Software. No one else has done as much to advance the powerful techniques known as discrete choice modeling, and Sawtooth's tools for "Hierarchical Bayesian" estimation have no peers. Their web interviewing system is also superb. We rely heavily on both.

In contrast to, oh at least one or two, other leading lights in research we could name, Rich is modest in demeanor, curious, and easy to chat with over a conference breakfast. Were there but more like him.



With Gratitude

Our international friends do not have a holiday quite like American Thanksgiving. We enjoy explaining it, and always point out that it is the least commercialized of our major holidays. Some marketers might define this as "under-commercialized", but we like it the way it is.

This is as good a reason as any to stop and thank our many clients, friends and colleagues for our association, and to wish you all a pleasant day of thanks.