

## **Efficient management of European and Global Online Access Panels through Incentivisation and Recognition**

Die effiziente Steuerung und das Management von europäischen/internationalen Marktforschungspanels durch Rewards & Recognition

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### **Abstract**

When online research matured and online access panels were conceived, incentivising panel members became an engagement/retention and an operational/cost-benefit issue. In this paper the author will investigate the role of incentives on response rates and perceived costs.

### **Clarification of terminology**

Across the market, responsiveness or health of online access panels is measured by its response rates; the higher the overall response rate of the panel, the healthier and more profitable the panel is perceived. Response rates are generally defined as the percentage of all attempted interviews that are completed (ESOMAR). Other as panel purging, engagement and retention initiatives are assumed means to keep response rates high.

However, as completion rates are influenced by factors outside panel member's intent to complete, this is not an entirely fair estimate of panel responsiveness. Postoaca (2006) states that response rates are not an accurate mirror of respondents' interest in surveys, they may however reflect a researcher's ability or inability to invite the right respondent at the right time, and to derive satisfactory profit from the respondent's interest in research. Events such as respondents accessing surveys after quota's being filled (partly due to inviting too many panel members in comparison to number of completes needed) and or screening out of surveys based on their member profile not matching the target audience (due to poor sample profiling or targeting) are events that have a negative effect on the response rate of the survey, as defined by ESOMAR, yet are partly outside the control of the panellist.

Therefore, within this paper response rates will refer to the total number of attempted interviews over all invited respondents and the term completion rates will be used to describe that percentage of all panellists completing the survey over all accessing the survey. Where not specified below in regard to research referred it is assumed that response rates were defined according to ESOMAR's definition.

### **What suffocates panel health?**

Postoaca (2006) conducted an in-depth investigation of factors assumed to have an effect on response rates in a consumer panel (n=76,891; 28,224 in United Kingdom, 14,007 in Germany, 14,986 in France and 19,674 in Spain). Response rate is here defined as that percentage of respondents accessing the survey over all that are invited. Based on tracking panel member survey participation behaviour for a period of 11 months immediately after panel recruitment, and with a special focus on response rates, Postoaca (2006) found that across the Ipsos access panel the age of the panel, under utilisation and panel member socio-demographics affect response rates.

Response rates amongst new panel members are generally higher during their first 3 months of panel membership and stabilises over their first year of membership. The so called bad panel members seem to lose their interest after 3 months and show an abrupt drop off whereas good panel members have slower drop-off rates. Furthermore, when panel members are not being engaged regularly this has a crippling effect on response rates, i.e. the number of invitations received is positive correlated to

response rates. Under utilising panel members thus leads to a double blow to the company on account of opportunity loss and loss in return on investment. Lastly, the panellist socio-demographic profile seems to have an effect on response rates, where females have a generally higher response rate in comparison and men's respond rates seem to increase with age.

With a focus on the specialist panel segment, Walton (2010) surveyed a group of business decision makers from the United States, Canada, Mexico, the United Kingdom, France, Germany and Australia (n=529 panellist from e-Rewards B2B and Affluent Consumer Panels). 77% of those decision makers were performing at MD, president, CEO, COO, chairman, board member or business owner level within companies with at least 100 employees. In his research Walton (2010) was particularly interested in his participant's opinions and attitude to online research and motivations for participation.

Walton (2010) found that business decision makers seem to prefer shorter surveys and have different incentive motivations. In regards to survey length, 58% stated a 10 minutes survey to be the preferred survey length and 26% indicated that they would take part in surveys up to 15 minutes. On the matter of what incentive types this specific audience preferred, 94% of the business decision makers interviewed indicated to be interested in receiving a short summary of the survey outcome, 39% mentioned that the incentives should be a fair representation for their time spend and 9% indicated that charity donations by the research agency to a selected charity also would be suffice incentive for participation. Poor or irrelevant incentives were specifically mentioned as having a negative effect on panel member's motivation to partake in online research.

Comley (2005), when questioning 619 UKOpinion Advisory panel members, concluded too that panel incentives, survey participation experiences (under usage, screen-out and quota full) and respondent motivation affect panel satisfaction negatively. Based on his research, Comley (2005) furthermore categorised 4 different types of respondents based on their survey participation behaviour and motivation to partake in online survey.

First there are the helpers (15%) who enjoy doing surveys and are happy to so without payment. Helpers enjoy doing longer surveys in comparison to the 3 other categories and are more willing to answer open-ended questions. Helpers are generally older and are more likely to want to see the survey results or receive regular updates/newsletters from the panel owners. Even though panel members categorised as opinionated (35%) are very similar to those classified as helpers, they are particularly motivated by getting their opinions heard. They are, however, more selective about which surveys to complete and are most likely late responders. Those categorised as incentivised (20%) are particular motivated by competition and or special offers but may sometimes do surveys without a reward. They are often younger respondents and tend to do many surveys but still less as the professionals. Alike the opinionated, they are too more likely to be late responders. Professional respondents (30%) are mostly motivated by the rewards offered and will not partake in surveys when there is no reward appended. Professionals are not concerned about the survey topic and are often part of multiple panels. Furthermore these panel members tend to partake in short surveys only.

When further investigating panel members' attitudes towards incentives deemed acceptable for surveys, Comley (2005), in the same study (n=619) found that 77% of the respondents surveyed would like to be paid for each survey completed, 63% would do surveys for a cash prize draw or for a points/survey reward program. 57% would also partake in surveys incentivised by means of a product prize draw, whereas 50% would do so for an Amazon voucher prize draw or a holiday prize draw (42%). 28% of the respondents indicated they would like to have access to part of the findings from the survey. Making survey findings accessible to panel members is however difficult as this may bias their responses in future studies and therefore is not generally considered as a means of incentivisation by panel owners. Asked whether they would partake in surveys without any incentive, 56% of respondents indicated that they would do some short surveys on specific topics without incentives and 26% stated that they would partake in surveys without incentives in general; whereas

13% are willing to complete all their surveys without any form of rewards. 3% indicated to never take part in a survey without any reimbursement.

Based on both their findings across three thousand Dialego consumer panel members in Germany (n=1,000), France (n=1,000) and the United Kingdom (n=1,000) and their findings across additional panel barometers and panellist survey and panel behaviour, Sassinot-Uny & Gadeib (2007) too concluded that survey frequency and incentives have a positive effect when managed well, as does securing panel data protection. Motivation and survey topic have no significant impact on panel satisfaction.

### **Okay, so what can rejuvenate or resuscitate panel health?**

Especially in these times where the market research arena is saturated, panel owners are fighting other common online activities for the panel member's attention and time online (Fawson & Johnson (2008)) and fresh panel recruitment becomes increasingly difficult as most recruitment partners are working with a plethora of panel agencies already; retention is now evermore the name of the game. In football terms, collaboration with panel members and an enticing incentive schemes are your new centre midfielder and your striker in order to keep momentum in the game.

The importance of collaboration with panel members has been cited by Walton (2010) who advocated approaching business decision makers as partners in market research rather as just survey participants. Moreover, Fawson & Johnson (2008) found, after conducting a panel satisfaction questionnaire across the Opinion Outpost panel (n=3659), that for 71.87% of inactive segment the response rates increased as result of partaking in this questionnaire; in comparison across the active panel segment (n=1146) an increase in response rates was only documented for 49.04%. Regular panel satisfaction questionnaires and ongoing feedback loops through customer support help desks are therefore significant in keeping traction on your panel and ensuring the panel member perceives to be in control of their panel member experiences; permitted the panel owner takes positive confirmative action upon the feedback received. Otherwise, panel satisfaction questionnaires will just become another antagonizing factor in the whole panel member experience and achieve the exact opposite effect.

Incentives furthermore can be a powerful tool to help the panel manager in responsible panel management. Incentives not only will strengthen the trust relationship between the panel owner and the panel member, they can also be utilised to:

- Keep those panel segments interested longer term who show a stronger decline in response rates.
- Recruit those panel cohorts to the panel that are hard to reach or that experience higher client demand or higher attrition rates in general.

In her research on the effect of material incentives on response quality & quantity, response rates, sample composition, survey outcome and cost, Goritz (2004) reported that reward preferences change by age and other demographics such as gender, education, internet usage, etc. This knowledge can be used by panel owners to boost the responsiveness of certain panel segments to meet the owner's business needs and thus increase profitability. For this reason recruitment partners suggest to use different incentive types for different recruitment cohort targets.

If the incentive program is the strong striker in your line up, what should he be made of?

In her study, Goritz (2004), investigated both the effect of different reward models (redeemable points, money prize draw and gift lottery) and incentives levels on survey outcome, sample composition and response quantity and quality (n=6149 German commercial online access panellists).

Goritz (2004) found that different types and amounts of incentives used in online surveys have no or mild effects on response quantity and no effect on response quality. Redeemable points however did yield higher response rates than money and gift lotteries. She furthermore found that redeem point value is significant negative correlated with drop-out rates; i.e. the higher the point value promised, the lower the survey drop-out rate. There seems to, however, be a plateau effect, after which increasing the incentive level seems to have a lesser cumulative positive effect on response rates, yet maintaining a negative correlation with survey drop-out. The same was found by Fawson & Johnson (2008). They also witnessed a non-material effect on response rates when increasing incentives across the board for 1 month.

Similar findings were found by von Heesen (2005) when comparing a direct incentive system (bonus points), a price draw program and a charity donation scheme (n=3x300 German national representative panel members from the Speedfacts panel). In his study he found that direct incentives have a significant higher click rate, response rate and a lower drop off rate in comparison to those achieved across the price draw and charity donation sample groups.

Furthermore, with the maturing of online access panels and the importance of panel retention, reimbursing panel members for so-called negative experiences, i.e. screen-out and quota full, which are out of the panel member's control has also become a significant incentive issue. Fawson & Johnson (2008) and Comley (2005) stated that other as paying per completed interview, panel owners should also put forward a small amount for screen-out and quota full, as appreciation for their willingness to take part in the online survey. The need for this is concurred by the author's undocumented experience in investigating the main contributors to panel attrition on consumer panels, where a higher prevalence of screen-out and quota full over the total number of complete surveys is a sure set up for panel attrition.

With above discourse in mind, the chosen incentive scheme should thus:

- Ideally be build around the objective to pay respondents both for successful completion of each survey and for each intended survey participation where this was terminated by the panel owner prematurely on account of screener and quota restrictions.
- Be tailored around the panel member socio-demographic profile in regards to reward types offered or at least give the respondent the choice to select out of a range of rewards that are assumed appealing to all panel cohorts.

Panel members' preference towards a pay per survey scheme and panel members repeated queries to any panel customer service help desk easily confirms panel members need for immediacy. Reward fulfilment therefore should be immediate. When there is a reward per survey, e.g. a cheque, a (discount) voucher, or when there are points collected for participation, these should respectively be dispatched or administered immediately after survey participation. If it is not possible to immediately dispatch rewards, after survey completion or point redemption, it is important that panel members are well informed about the delivery time lines both upfront and at time of redemption. Alike for any customer transaction that has a 'monetary' element whether it is for market research or for online shopping, etc. it is pertinent that there is a great level of transparency. Transparency will increase the panel member's trust in the panel owner and thus have a positive effect on panel satisfaction and performance.

It is consequently important to acknowledge this need for immediacy and to pacify this by offering panel members a clear incentive platform where they can:

- select their preferred incentive type (if a range of incentives are available)
- manage their account by updating their incentive delivery address details and or redeeming their reward points for a material incentive (if the incentive program entails a cumulative incentive account that can be drawn from under certain conditions),

- monitor their incentives payments made or redeemed
- have access to any detail on the incentive program and any associated terms and conditions

Furthermore, panel owners should be clear about the terms and conditions surrounding their incentive program and any exceptions that may apply to certain cohorts of the panel or to certain activities panel members are invited to participate in. These terms and conditions and any other material related to the incentive program should be clear, concise and unambiguous to prevent any misunderstandings or, more importantly, distrust.

### **My, my, what is all of this going to cost me?**

Panel owners and panel members have seemingly conflicting attitudes towards incentives (Comley, 2005). Where the respondent wants to be paid in cash every time they complete or try to complete a survey, panel owners are often trying to save a buck on the incentives and incentive programming running cost; both at staff resource and finance level. With the recent/current recession and the saturation of the online market research space, saving costs is of course a fair objective in an effort to stay competitive on price.

However running an incentive program that is not aiding panel performance longer term is a cost which each company has to review in regards to the savings made within. Are we truly saving our buck when we continue with prize draws/lotteries that the respondent never seems to win or bonus point schemes that he/she never seem to be able to redeemable?

If incentives are indeed that important in panel management, it can easily be deduced that running poor designed, ill fitting and or ill administered incentive schemes will have a negative knock-on effect on panel satisfaction and thus leading to higher as necessary attrition rates and lower as really needed response rates. Furthermore, as there are ten-in-a-dozen panel companies prospective members can choose from, the perks of being a panel member, as illustrated above, become important in the recruitment process and retention game. Ill perceived incentive programs or reward options will reduce effectiveness of recruitment campaigns. Moreover, based on Goritz (2004) findings, a one-size fits all incentive scheme that is not matching the full range of the socio-demographic segments of the panel will lead to opportunity loss and increased panel dissatisfaction.

In an industry where national representativeness of samples is of great importance, panel attrition and sample skewing towards certain panel segments based on a uniform incentive being awarded across the panel will drive up the recruitment budget and decrease panel growth, there with scoring an own-goal. Surely this is what each self-respecting football team would like to prevent.

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