

# QUIRK'S Marketing Research Review

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**W**e've all experienced firsthand how the Internet does indeed make the world a smaller place. And we also know the Internet has in some ways not yet reached its much-touted potential for marketers. Publicly traded dot-coms (that have lasted the industry shake-out) have leveled off to reasonable double-digit share prices, and advertisers have learned that a banner ad does not equal instant market-share leadership. Within this reevaluation of the online sector, market researchers have continued to tap into Web-based resources. One of the most significant ways in which the Internet can be used to reach customers across the globe is through online panel studies. While reduced costs are often recognized immediately as a benefit, the fact that online panels can often cut the data collection time by 90 percent or more should not be overlooked.

With some 500 million people online worldwide, the Internet has certainly succeeded in bringing the world community together. And with over 100 million Internet users in the Asia-Pacific region and a conservative 30 to 50 million users in China and Japan respectively, online panel development is becoming one of the most efficient ways for marketers to reach their customers. Prior to the recent Internet explosion, when in-person or telephone interviewing were the market research mainstays, it was typical for data collection in China or Japan to last four to

## Drawing a few from many

Using panel research to  
penetrate the Asian market



By Al Fitzgerald

eight weeks (or longer) and require enormous budgets. Today, using an online panel, data collection for the same types of studies can be completed in a matter of four to eight days and require far fewer research dollars.

### **Benefits of including Asia in research**

The steady online user growth in China and Japan illustrates the necessity for marketers – particularly from companies offering IT-industry related products – to explore and target these geographies. Japan's IT industry has grown steadily over the last decade despite an overall sluggish Japanese economy. And Digital Planet 2002, released by the World Information Technology and Services Alliance (WITSA), shows a 15 percent IT spending growth last year in China (this was compared to a staggeringly low 1 percent U.S. growth last year). In order for

foreign companies to gain market share in these Pacific regions, it is critical to understand the needs of these populations. Panel research provides both a cost-effective and timely way to do just that. With this approach, participants are pre-screened for your study and surveys can be easily translated from English into Japanese language or Chinese character for online deployment.

An online panel consists of a group of specifically targeted individuals in a particular field who have agreed to participate in ongoing market research via the Internet. They can be grouped by profession, income level, gender, age, and almost any other factor you are interested in. Panel development provides not only instant access to a specific type of respondent, but eliminates the need to spend valuable time locating and recruiting spe-

cific hard-to-reach individuals – they have already agreed to participate and belong to the group you're interested in targeting.

### **Establishing the panel**

The first step to successful panel development is asking qualified individuals to participate. In China and Japan, typical recruitment methods include contacting respondents who have participated in previous studies as well as obtaining names from published lists or public directories. The next step is to send them an invitation via mail, e-mail or telephone to participate in the panel. Interested individuals are asked to provide their e-mail address and complete a brief online registration questionnaire that collects their demographic, firmographic and contact information.

It is important to ensure that the panel is projectable to your target market. In some instances, this requires panels that are balanced demographically and according to other key variables such as region, firmographics, etc. In order to obtain balanced data, it is essential that the panel be broad enough to encompass the range of people in your target audience.

### **Who has a PC?**

In China, there is a great difference between the rural and urban areas. While rural areas may not even have electricity, most cities are very modern. Despite China's relatively low median household income, China's "one child" policy has effectively increased disposable income to spend on a family computer. In addition, with only one child, the aunts, uncles and grandparents pool resources to purchase a home computer for the school-

aged child. Being computer literate is perceived as very important in both China and Japan. Approximately one half of households in large urban centers in China have access to a PC. On the business side, small businesses typically are not computerized in China, but personal computers are the norm in large enterprises.

### **Maintaining the panel**

Once the panel has been established, the question becomes how to maintain it. Even the best panels will eventually become worthless if care is not taken to retain and replace members on a regular basis. Cash, gifts, products, lotteries or access to study results can be offered as an incentive to participate, along with newsletters created for specific panel segments. Often a simple thank you e-mail can go a long way in making participants feel appreciated and valued and maintain their obligation to participate.

In both China and Japan, gifts can often be very useful incentives. In fact, small and inexpensive gifts can be much more of a motivator in China and Japan than in the U.S. or Europe. Also, reminding members that their opinions are helping shape future products is a benefit. Providing short and simple surveys can also be effective. Keep in mind, possibly because of the greater complexity of the language, a survey that takes 15 minutes in English will often take longer to complete Chinese and Japanese. Finally, it is important to limit the number of times individuals are asked to participate in research studies. Typically, asking panelists to participate a maximum of once per month is a good rule of thumb to follow. This will eliminate the possibility of

participant burnout or of any one person having undue influence in a particular area.

Regardless of the strides taken to retain panelists, approximately 10-30 percent of the panel can be expected to drop out each year. Metrics can be developed to determine at what point a member is considered a dropout. For instance, it can be established that a panel member is no longer interested after they fail to respond to three invitations or after receiving an e-mail bounce back. When this happens, it is important to replace these individuals.

### **The limitations**

Even the best solutions have their drawbacks. While online populations tend to favor a more affluent population, this is particularly true in parts of Asia. In China, there is great disparity between the cities and the rural areas. While rural areas are, for the most part, non-computerized, close to half of professional households in the cities have computers. While China still lags in Internet access and relies largely on slow-speed dial-up connections, it is rapidly gaining strength. If a sample with a broad cross-section of the population is required, online panel recruitment alone may not be sufficient.

The process of pursuing an online panel can be challenging, but when you think of having to recruit from scratch for each study, the idea becomes more and more appealing. Leveraging the most data for your research dollars is also a great incentive. Perhaps the greatest reward is that limiting the time spent collecting the data increases the time that can be used to analyze and use the information gathered. Now there's motivation enough to consider a panel approach.