



market research bulletin
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Information
is **Power**

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Photo Courtesy of : Michelle Yee

Information is Power

But the Right Information Is More Powerful

Gina Pingitore, Ph.D.
Chief Research Officer
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Almost every company now uses some type of consumer information to guide their decisions about business operations, whether it is a simple, easy-to-use measurement such as net promoter or consumer effort scores, or more complex measurement through ongoing tracking research. While having some information is better than having none at all, achieving market differentiation and sustainable growth in a competitive environment depends on having the right information.

Getting the right information depends on asking, listening, and watching. Of course, asking is the easy part, and is what most survey research is designed to do. But it is not enough to simply ask what customers think about your brand or how satisfied they are with your products or services. You also need to listen to what they say and watch what they do.

For example, by collecting social media and behavior data, along with survey results, companies can gain more insight into their consumers than any of these measurements separately provide. Additionally, companies should be concerned with what their competitors' customers are thinking, saying, and doing. To do so means integrating multiple sources of "voice of the customer" (VOC) information across the entire buying cycle.



Figure 1

A professional portrait of Gina Pingitore, Ph.D., a woman with short grey hair and glasses, smiling. She is wearing a black top with white floral embroidery and a multi-strand pearl necklace. Her hands are resting on a stack of books on a dark, reflective table. In the background, there is a framed piece of Chinese ink wash painting with red blossoms and calligraphy.

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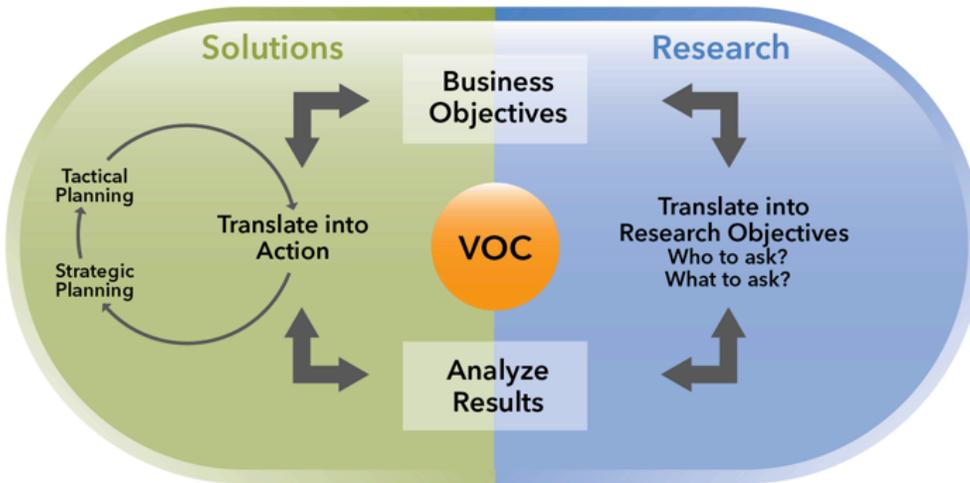


Photo Courtesy of: Michelle Yee

Using Research to Create Business Solutions

But getting the right information doesn't stop there. Collecting multiple sources of VOC information without clear business objectives will simply result in information overload. Therefore, getting the right information requires having a clear and strategic understanding of how, and why, you are collecting the information and linking each measurement to a specific business objective(s). Otherwise, management runs the risk of collecting information that is "nice to know" but may not be critical in influencing future business outcomes.

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Source: J.D. Power and Associates

Figure 2

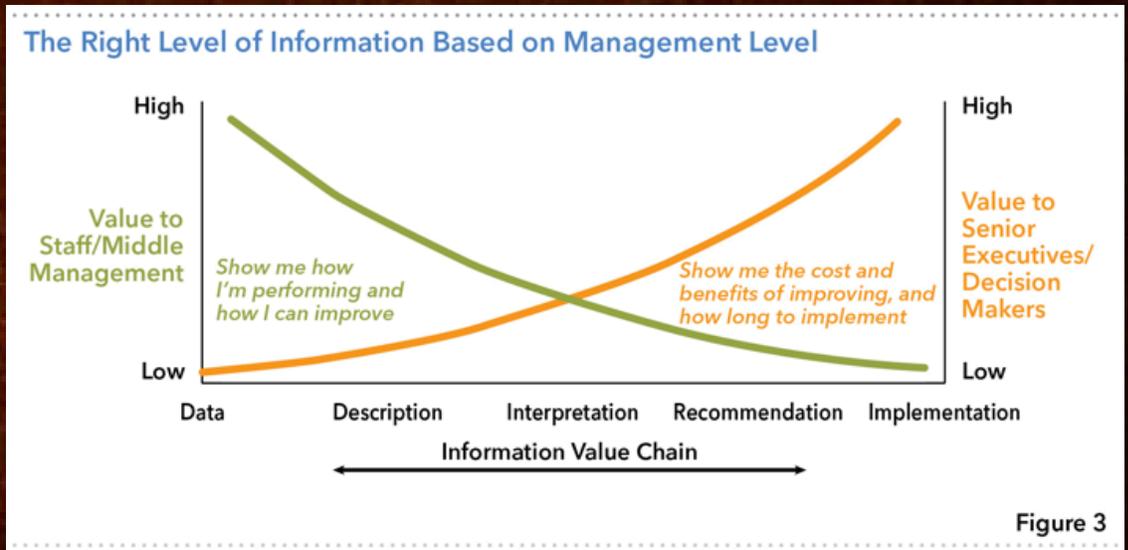
The right information also needs to include an acceptable amount of quality. Whether it is gathered via survey, social media, clickstream, or mystery shop, any VOC data must have the right amount of empirical value. Statistical concepts such as "reliability" and "validity" may seem old-fashioned in an era of real-time and immediate data, but they are more important than ever before. If the data you are collecting are unstable, they could lead to the wrong conclusions and, therefore, the wrong decisions.



We're not talking about the precision or reliability needed by a brain surgeon. But results must be more reliable than those of chance, or else why bother collecting the data at all? Additionally, the right information must be collected from the right group of consumers or customers. For example, only learning from your most loyal customers might limit your insights on what it takes to appeal to different types of consumers, and potentially expand your market share.

Getting the right information also requires that management is committed to transforming that information into action. This requires putting information into the hands of the

right people. Therefore, management must also understand how different people within the organization need to use and leverage information in different ways. Front-line staff need specific and detailed reports that show how they are performing and what they can do to improve, while management needs to have clear expectations of the costs and benefits of such improvements, as well as understand how long the improvements will take to implement. By providing the right type of information, in the right amounts, to the right people, management avoid the all-too-common problem of having lots of numbers to look at, but not understanding what to do with them.



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Finally, timing is everything. Information that is old is unlikely to provide insights to spur business growth. On the other hand, providing information on a real-time basis may be confusing and misleading if such information is not reliable (e.g., small survey sample sizes) or measures concepts that do not or should not change on a daily basis. For example, brand image or even service center performance should not drastically and systematically change on a daily basis. In these cases, VOC information that is reported at monthly or quarterly intervals may provide the best trade-off between reliability and the company's ability to either use the VOC measurement for accountability (maintaining current service levels) or change management (implementing process or servicing changes and measuring the impact).

This is not to say that real-time information isn't useful. Indeed, one of the best uses of real-time feedback is customer recovery. Companies may use their VOC measurement programs to identify customers who had a recent negative transaction or service interaction. Because the customer experience is so integral to future customer behaviors, these interactions put customers at risk of leaving. Having a mechanism in place that identifies these risks and communicating this information to front-line staff may allow companies to attempt to "fix" the negative interaction with at-risk customers or, at the very least, identify problems utilizing front-line servicing models in order to prevent similar problems in the future.



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timing is everything

Here are the five things you need to ensure you get the right information:

- 1 } Use methods that ask, listen, and watch what current and future customers think and want
- 2 } Have clear and specific linkages between business outcomes and the VOC information that is collected
- 3 } Ensure your VOC information has a reasonable and acceptable amount of reliability, validity, and generalizability
- 4 } Ensure your organization understands that different types of staff need and want different levels of information
- 5 } Align the frequency of VOC reporting with expected changes in your marketplace

Gina Pingitore, Ph.D.
Chief Research Officer
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Gina Pingitore is Chief Research Officer at J.D. Power and Associates, where she is responsible for the scientific rigor and oversight of the design and statistical analyses for all syndicated and proprietary studies. Since joining the company in 2002, Dr. Pingitore has developed models to establish the relationship between various Voice of the Customer measures and business outcomes. These efforts have been published in marketing journals, as well as presented at numerous scientific and business conferences. More recently, she has focused on the development of measures of customer engagement through the creation of a Customer Commitment Model—a statistical construct to assess customers' dedication to a particular brand or product. She has also spearheaded the company's

use of statistical techniques in data fusion to integrate disparate datasets that create a third dataset able to economically increase insight. Previously, Dr. Pingitore was a practicing licensed clinical psychologist and behavioral researcher in academia, where she authored numerous articles in professional journals and managed numerous projects funded through federal grants. Later, she worked for a major advertising agency as a strategic planner on numerous engagements, including the 2002 Winter Olympics. Dr. Pingitore received a master's degree in psychology from Edinboro University of Pennsylvania, and a doctorate in psychology from Loyola University of Chicago.

Jay Meyers, Ph.D.
Director
J.D. Power & Associates

Jay Meyers, Ph.D., is Director of Marketing Sciences at J.D. Power and Associates. He is responsible for developing empirical standards in conjunction with the Chief Research Officer, as well as supporting research design and analysis efforts across the company.

Dr. Meyers works closely with the Financial Services and Insurance practices to develop customer satisfaction index models for new studies. His responsibilities also include providing statistical analysis and support for syndicated and proprietary studies. Additionally, he performs research audits and consults with external clients on how they can more effectively

measure and utilize Voice of the Customer information.

Dr. Meyers joined J.D. Power and Associates in 2001. He has nearly 10 years of direct experience in marketing research and 16 years of experience in satisfaction-related research.

Dr. Meyers earned a bachelor's degree in psychology from Arizona State University, and a master's degree in social psychology and a doctorate in quantitative psychology from the University of Virginia.