

In search of niche markets

A how-to guide to using online specialty panels

By Mitch Eggers

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Today, online research offers all necessary ingredients to satisfy the thirst for rapid, accurate intelligence in today's highly competitive global marketplace: higher response rates, faster delivery of results and lower data collection costs. In 2005, ESOMAR estimated that panel research accounted for 28 percent of all global market research spend, second only to ad-hoc research at 51 percent. The use of online consumer panels has grown in concert with the growth in online. While consumer panels are the most prevalent in global research, specialty panels are now also becoming more readily available. Enabling more precise audience segmentation and targeting, these unique online communities offer access to a wide variety of highly profiled target populations, special markets and audiences, categorized by profession, geography, ethnic background or demographics to name just a few parameters. This article aims to educate market research professionals on the many specialty panel possibilities available today and to help them make the right choices in terms of specialty panel vendor selection.

Internal or outsourced?

Getting started in specialty panels begins with making a fundamental choice between developing an internal proprietary panel or outsourcing panels from an established and respected panel provider.

Building a proprietary specialty panel

The success of this endeavor will very much depend on the amount of existing data already available in a customer contact or CRM database. While this provides an excellent start, there's much more to running a proprietary panel than meets the eye, and it is a little bit more complicated than simply sending an online survey to a list of contacts. You should begin by selecting and purchasing robust panel management software to effectively create and run a panel. Make sure you minimize personnel requirements: look for a solution that is user-friendly, scalable and which automates as many tasks as possible.

Creating your own specialty panel

Begin by defining the panel attributes needed to screen for the right panelists and ensure you are generating the data you want. For each attribute, define validation rules to ensure data integrity and contact frequency to control respondent fatigue.

Respondent portals

A fully custom respondent portal, built from scratch, can take months to complete. Moreover, you may need multiple respondent portals, each tailored to a particular audience with its own look and feel. Outsourcing the initial respondent recruitment portal work to an outside specialist vendor can shave weeks off the development process, depending on the size and complexity of the project, and enables you to focus on your core competencies in the meantime.

Recruiting

A great database doesn't necessarily mean every contact it includes will opt into your specialty panel: you need to drive the effort with effective panel recruitment campaigns. Start by designing multiple campaigns using a variety of stimuli and send them to prospective

recruits. Run some tests, compare cooperation rates and optimize your campaigns. A campaign for skateboarding enthusiasts will require a much different approach than the one for working moms!

Incentives

Offering attractive yet cost-effective incentives to keep your panelists actively engaged is key to your specialty panel's long-term health and success. Leverage your panel management software to automate the whole process of crediting incentives for survey participation, managing a gift inventory and providing an online shopping environment for participants to spend their points or other survey reward. The online lottery approach is also a good way to ensure high panelist participation.

Customer service

Panelist retention is a recurring issue. Treat your panelists like you would your customers. Timely service and assistance will ensure your panel is responsive, considerate and compliant with security and privacy best practices. Maintain a central history of inbound and outbound panelist communication - along with their individual profiles - so that you have a 360-degree view of each of your respondents.

Buying a specialty panel

Outsourcing specialty sample from a third-party panel provider has one main advantage: you don't have to take on the work associated with building, incentivising and actively managing the panel. Beware of imitations though, as not all specialty panels are equal. The onus is on you to critically assess the quality and integrity of the respondent profiles and collected data. A true specialty panel is recruited independently from highly qualified sources, not just profiled out of an existing general consumer panel, a mistake often made by panel providers.

A current area of concern in online sample is fraudulent panel activity, including identity fraud, multiple profiles, speeding and survey bots to name just a few. Fraudulent panel participation has the potential to dilute the credibility of the entire online market research industry in the eyes of both clients and the general public.

Here is a list of questions you can ask panel vendors during the selection process to help you make a fair assessment of their specialty panel quality:

- Is your panel an actively managed, nurtured community or just a database?
- Do you manage your panel in an ongoing fashion? How?
- What reach (number of respondents) can you provide with your panel?
- In how many, and in which, countries do you have panels?
- Do you communicate with your panelists in their native language?
- What is the percentage of active members in your panel?
- How do you define active members?
- Where are your respondents sourced from, and how are they recruited?
- Have your panelists clearly opted-in? If so, was it a double opt-in?
- What exactly have your panel members been asked to opt into?
- Is your panel used solely for market research purposes?
- What incentives do your panel members get in exchange for taking surveys?
- Do you have a strict privacy policy in place?
- Do you offer specialty panels (B2B, youth, medical, IT, gamers, etc.)?
- What research industry standards does your panel comply with?
- Is your panel compliant with all regional, national and local privacy laws?
- What sociodemographic information do you collect on your panel members?
- How often is your panel updated?
- In what other ways do you profile your panelists?

- How often do you ask your respondents to update their profiles?
- What are likely response rates, and how are those response rates calculated?
- Do you guarantee a response rate (over and above screening)?
- How often are individual panelists contacted for market research?
- How is the sample selection process for a particular survey undertaken?
- Is your sample randomized before deployment?
- What is the minimum/typical turnaround time from first request to e-mail deployment to activate a study using your panel?
- How do you control sample deployment (as batches, by time zones, etc.)?
- Can you control the time of sample deployment, and if so, how do you do it?
- Can your panelists be directed to specific sites where they take the survey?
- What safeguards do you offer against cheating or click-happy respondents?

Unique challenges

Each online specialty panel brings with it a unique set of challenges. Let's take a look at a few specific examples of popular panels illustrating some of the pitfalls to look out for.

Youth panels

Today's youth not only influences purchases, but has extraordinary buying power of its own. Last year, global youth spending amounted to \$395 billion, growing at a rate of 15 percent per year. In the U.S. alone, the teen market represents \$200 billion (source: www.kidshopbiz.com). Market research professionals wishing to leverage such a panel should be aware of restrictions and legal regulations on research methods for children. In the U.S., youth panels should comply with regulations and guidelines by the Children's Online Privacy Protection Act (COPPA), which applies to the online collection of personal information from children under 13. In addition, Children's Advertising Review Unit (CARU) reviews and evaluates child-directed advertising in all media and online privacy practices as they affect children.

To ensure unbiased, quality responses, youth panelists should be recruited from domains they dominate, by double opt-in, with age confirmed multiple times, and parental consent garnered during the registration process. Questions need to be age-appropriate and carefully screened for subject matter to ensure a positive online experience.

Fun and unique incentives are required to motivate kids. Games can be offered on the panelist recruiting site, along with loyalty programs and newsletters to keep the young panelists engaged. Participation in weekly polls also lets panelists share their ideas with each other and maintains a sense of community.

Business-to-business panels

The main challenge with B2B panels is met at the panelist screening stage. Let's take the example of an IT panel: IT professionals can't simply be culled from a consumer panel, but must be specifically recruited in the context of their work environment, such as through a specialized trade organization or online business journal where they are already part of a professional IT mindset. They not only need to be well-compensated for their time, but also motivated by the opportunity to influence the direction of IT research and product development. They'll want assurance not only that their views are valued and influential, but also that they are participating in a highly secure environment that protects their privacy, including their contact and personal information.

Hobby-focused panels

Avid hobbyists present market researchers with specific challenges and opportunities when creating research methodology. Take the gamer community, for example: panelists are already profiled by game consoles owned and game product usage. Once preferred panelists have been selected, consider taking advantage of some of the interactive methods now available to build on their interest: Flash technology enables you to build in animated graphics and imagery, making surveys fun, dynamic and more game-like. This can considerably boost response rates and enhance the quality of the collected data. Simulate a game environment, create a virtual shopping experience to assess purchase decision-making, or use click testing to evaluate TV, print, outdoor or other advertising media.

Ethnicity panels

Although typically harder to reach, these audiences represent attractive, rapidly growing markets for today's researchers. Let's take the example of Hispanic-Americans and Latinos. With 16 million Hispanic Internet users in the U.S. by 2007, this segment represents 8.4 percent of all users, according to a study conducted by eMarketer in 2004. Latin America ranks fourth among total Internet users worldwide. The Hispanic population is not only big, representing enormous purchasing power, it is also complex and constantly changing. To address these complexities, accurate segmentation is crucial. In the U.S., the Hispanic population is made up of immigrants and third-generation Americans, Spanish-dominant and those who speak only English. The "Hispanic" population as such represents 22 different countries of origin, from Mexico and Central America to South America and Europe. Each segment of this audience represents differing values, customs, behaviors, attitudes and spending habits. To be effective, online Hispanic panels must provide opportunities for panelists to express their opinions about topics that are relevant and important to them specifically, providing the knowledge and insights to connect authentically with the various segments of this complex audience around the world.

Another perfect example is African-Americans. When it comes to market intelligence, African-Americans are a woefully underrepresented group. It is crucial that the development and approach of this type of panel be fundamentally influenced by the African-American community directly. The panel must provide a safe, secure and confidential forum for African-Americans to express candid opinions. These consumers are motivated by having a voice in the decisions that influence the products and services that will ultimately be aimed at them.

Medical panels

Whether conducting a clinical trial or needing respondents for an online medical study, market researchers increasingly rely on the real-time opinions of physicians, nurses and chronically-ill patients. Each of these medical audiences is motivated differently and presents unique challenges. Extensive profiling is required to be able to select medical professional sample by specialty, geographical location, or, in the case of patients, by chronic illness type and stage. The same goes for incentives. Physicians of the quality and caliber that most market researchers desire are unlikely to be motivated by cash alone, even with a substantially increased incentive. The trick is to offer other types of rewards besides pure cash that are directly related to the medical profession, e.g., tools that save one of a physician's most valuable resources - time. Patients, on the other hand, may be more likely to be motivated by humanitarian or altruistic concerns of advancing research on their particular disease or disorder.

New mothers

This audience is possibly one of the most outspoken groups a company can target, one that is very eager to share their opinions on babies and young children. New mothers are also very busy, hence the need to avoid wasting their time and make it worth their while. Facing the expenses of

a new baby, new mothers will be choosier in terms of panelist rewards and are likely to be more receptive to cash rewards than lottery prizes.

Looking ahead

Reaching special markets and audiences in real time is now easier than ever before thanks to online research and online specialty panels. According to ESOMAR's Vision 2010 report, online research will continue to revolutionize a global market research industry now worth close to \$24 billion and become more popular due to cost advantages, ease-of-use and increasing broadband connectivity. Therefore online specialty panels are here to stay and will improve over time to meet the increasingly sophisticated needs of market researchers worldwide.