

## Customer Research Surveys

*Final: August 1, 2017*

Investing in individuals.  
Improving our world.

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## VENTURE LAB

### Vision

Unleash startup-led innovation to dramatically improve financial access and quality at scale

### Approach

Seed stage equity investments in financial inclusion/fintech startups globally; active post-investment support to help companies scale

### Investment Themes

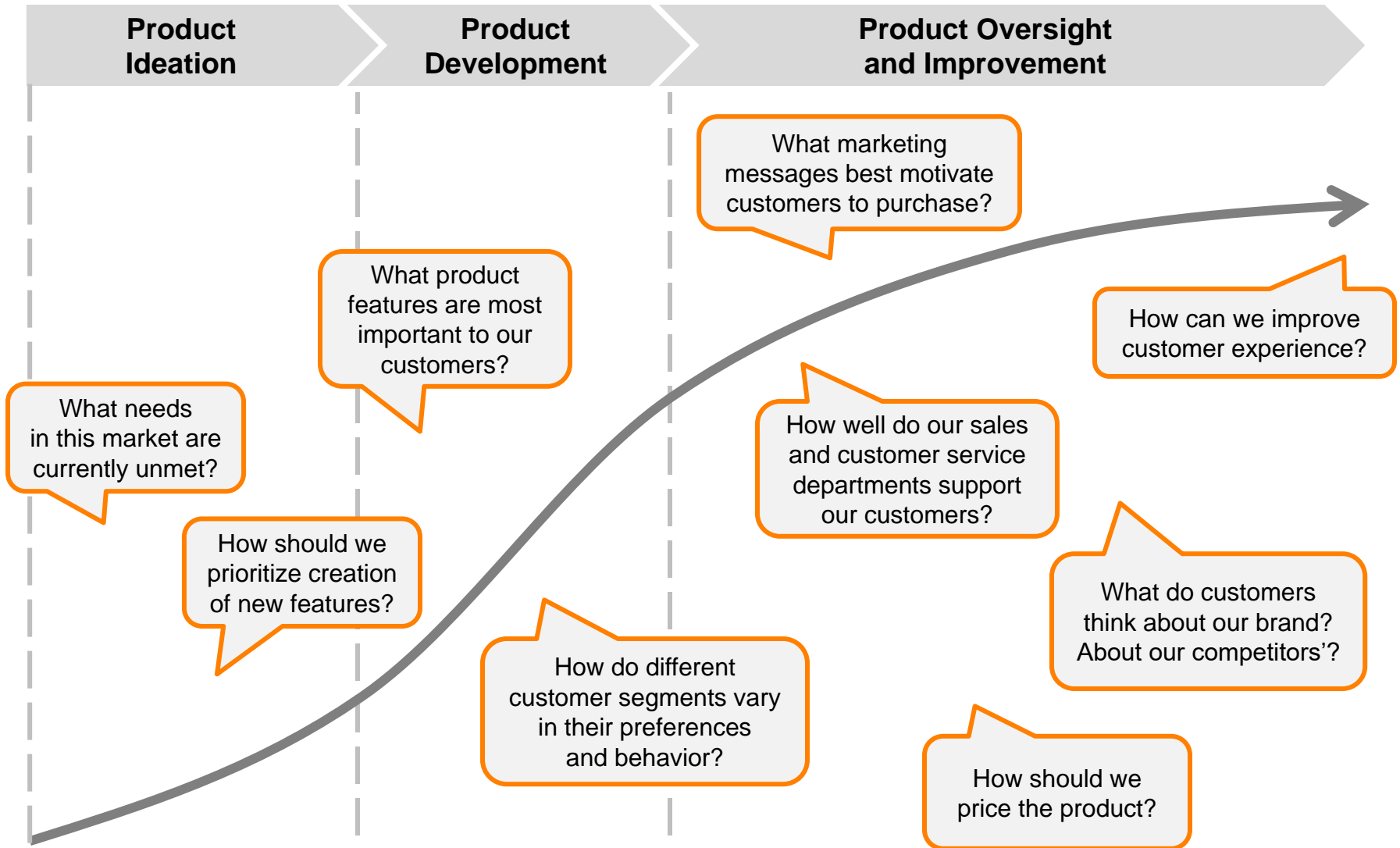
- New/alternative data for credit scoring
- Merchant digital payments
- Marketplace lending
- Customer engagement through new channels

*And many more...*

**We are proud to make this resource available to the public as part of our mission to support innovative financial inclusion start-ups.**

**Learn more about Venture Lab at our website:  
[www.accion.org/venturelab](http://www.accion.org/venturelab)**

# Customer research helps answer important questions throughout the product lifecycle



# Types of Customer Research

These techniques are often used in combination with each other

## Quantitative Research



### Surveys

May be specific to a targeted purpose, reoccurring regularly or triggered by an event (purchase, help desk call, etc.)

*Focus of this document*

### Customer Data

Connecting customer behavior (purchase, use of discounts, renewal) to existing customer descriptors (billing ZIP, other demographic factors)

### Product Usage

Analyzing how customers use a product, including A/B testing, help desk tickets, feature popularity, referral source, etc.

## Qualitative Research



### One-on-One Interviews

Structured one-on-one conversations. May be scheduled or “intercepts,” conducted with passersby in an area of interest

### Focus Groups

Interactive, facilitated small group conversations about participants’ feelings, opinions, attitudes or beliefs

*Also highlighted in this document*

### In-Home Visits

Interviews held with a household inside residence. May be combined with other research, such as a financial spending diary or observation

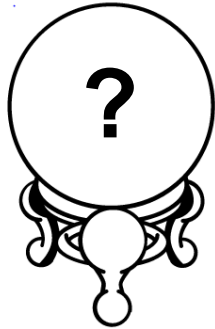
### Observations

Observing customer behavior in as natural surroundings as possible, such as watching a customer shop (“shop-a-long”) or use a new product feature

# Survey respondents don't always provide useful feedback

## Survey respondents...

### Can't Predict Their Future



People are unreliable when predicting their own behavior: what they would purchase, how they would feel, what they would pay.

This is because surveys take place outside of context, and people are often not conscious of how factors like impulse and emotion inform their decisions.

### Lie When They Feel Shame



People overstate their positive actions and understate their negative actions, either because of shame or because they better recall their intentions than their actions.

### Are Not Creative Innovators



“If I'd asked my customers what they wanted, they would have said faster horses”  
– *Henry Ford, automobile innovator*  
(quote apocryphal)

Rather than focus on understanding customer's ideas for solutions, focus on understanding their problem and testing solutions.

## Therefore, surveys are more suited to some topics than to others

<b>Easier to Measure Using Surveys</b>	<b>Facts</b>	<ul style="list-style-type: none"><li>✓ “What city do you live in?”</li><li>✓ “What other restaurants have you eaten at?”</li></ul>
	<b>Satisfaction</b>	<ul style="list-style-type: none"><li>✓ “How satisfied were you with your recent stay?”</li><li>✓ “How likely are you to recommend our product?”</li></ul>
	<b>Attitudes</b>	<ul style="list-style-type: none"><li>✓ “Do you trust this political candidate?”</li><li>✓ “Which of these adjectives describe our competitor’s product?”</li></ul>
	<b>Preferences / Tradeoffs</b>	<ul style="list-style-type: none"><li>✓ “Which of these two features is more important?”</li><li>✓ “Which of these products do you like better?”</li></ul>
<b>More Difficult to Measure Using Surveys</b>	<b>Pricing</b>	<ul style="list-style-type: none"><li>✗ “How much would you pay for this service?”</li><li>✗ “Is \$20 a reasonable price for this product?”</li></ul>
	<b>Likelihood to Purchase</b>	<ul style="list-style-type: none"><li>✗ “Would you purchase our product if it had this feature?”</li></ul>

## Designing a Survey

# Begin any survey planning by understanding your problem and developing hypothesized solutions

1

## Problem Definition

What is the ultimate goal of your study? What change do you want to see?  
What types of actions are you prepared to take in response?

2

## Hypothesis Development



### Qualitative Research

*Interviews, Focus Groups, Observations*

**Developing hypotheses and potential answers through open-ended questions**

*Tell me about the last time you purchased accounting software. Tell me more. What was important to you? How did you feel? Why?*

3

## Hypothesis Measurement



### Quantitative Research

*Surveys, Customer Data, Product Usage*

**Measuring and determining the most important answer through closed questions**

*How important were each of these factors to you when purchasing accounting software?  
Price, Billing Structure, Mobile App, Data Portability, Tax Customization...*



# Once you understand your goal, you must define who will take your survey...

## Your survey may want to reach...

- **Current customers**
- **Past customers**
- **Competitors' customers**
- **Customers who may be likely purchasers in a new market or of a new product**
- **People who are aware of your product but chose not purchase**
- **General population**

## ... which you can define by:

### **Demographic**

- Age
- Gender
- Income
- Location

### **Behavior**

- Has a savings account
- Uses the Internet
- Intends to purchase

### **Other**

- Language
- A role within a company

## ... and how many of them you will need

**Many excellent online calculators exist to help you determine how many survey responses you need to achieve an accurate survey**

**Ensure that you have sufficient responses by each relevant sub-group if you intend to segment your results by these sub-groups**

- Example: You want to split results by company size: small, medium and large. If you want 200 responses per group, you'll need 600 responses minimum
- Example: You want to split results by company size (Small, Medium, Large) and by whether they have used your product (Yes/No.) For 50 responses per group, you'll need 300 responses minimum

**If your survey is being administered online, you can input “quotas” to make sure you get sufficient responses by sub-groups**

- This is especially important if you are providing an incentive for respondents to complete your survey, since you do not want to pay for survey responses you do not need
- Example: You want 80 women and 80 men to take your survey. If your first question asks the respondent's gender, once you have achieved 80 responses for one group, the survey can disqualify (“terminate”) further members of that group from completing the rest of the survey

**If your survey results are not representative of a total population, you can weight your responses to get a more accurate picture of the total population**

- Example: Your customers are 50/50 male/female, but your survey received 100 responses from men and 50 responses from women. You may choose to double-count women's responses in your totals.
- Note that weighting will result in less accurate totals for smaller groups

# Incentives (compensation for completing a survey) are a powerful tool to improve your response rate

**Incentives are compensation offered to respondents in exchange for their completion of a survey**

## Common Instances of Survey Incentive Use

**Respondents who are difficult to source so a high completion rate is necessary**

- *Uncommon or very specific demographics (e.g., college-educated second-generation immigrants living in a certain city)*
- *Hard-to-reach or hard-to-identify individuals (e.g., SME store owners in rural markets)*

**Respondents are frequently targeted for surveys and either expect an incentive or otherwise tend to ignore requests**

*Corporate purchasing managers*

**Respondents are busy or otherwise value their time more highly**

*Senior executives, doctors and other high-paying professions*

**Survey requires significant investment of effort or time**

- *Especially long or complex surveys*
- *Studies requiring completion of multiple surveys over time*

**Survey asks for sensitive information**

*Financial information, health information*

- Respondents only receive an incentive if they meet qualifying criteria and also complete the survey fully
- When selecting a value for an incentive, avoid an amount that is too low (because it will cost money without motivating participation) or too high (because it may prompt unqualified respondents to “game” the survey)

# Three types of incentives have different tradeoffs

## In-Kind Incentives

*Take this survey within 24 hours and get a free small soda next time you visit our restaurant!*

*In gratitude for your time, redeem the code at the end of the survey for 50% off your next month of our service*

- ✓ Inexpensive to offer
- ✓ Encourages future use of product

- ✗ Biases survey sample towards those with positive opinions of product

## Drawing / Contest

*Enter your email at the end of the survey for a chance to win one of six \$500 cash prizes!*

*One survey respondent will be randomly selected to receive an iPad Pro*

- ✓ Less expensive than compensating each respondent

- ✗ Not as motivating as a guaranteed incentive
- ✗ May fall under sweepstakes regulation

## Pay-Per-Complete

*If you qualify, your account on this survey website will be credited with \$30 upon survey completion*

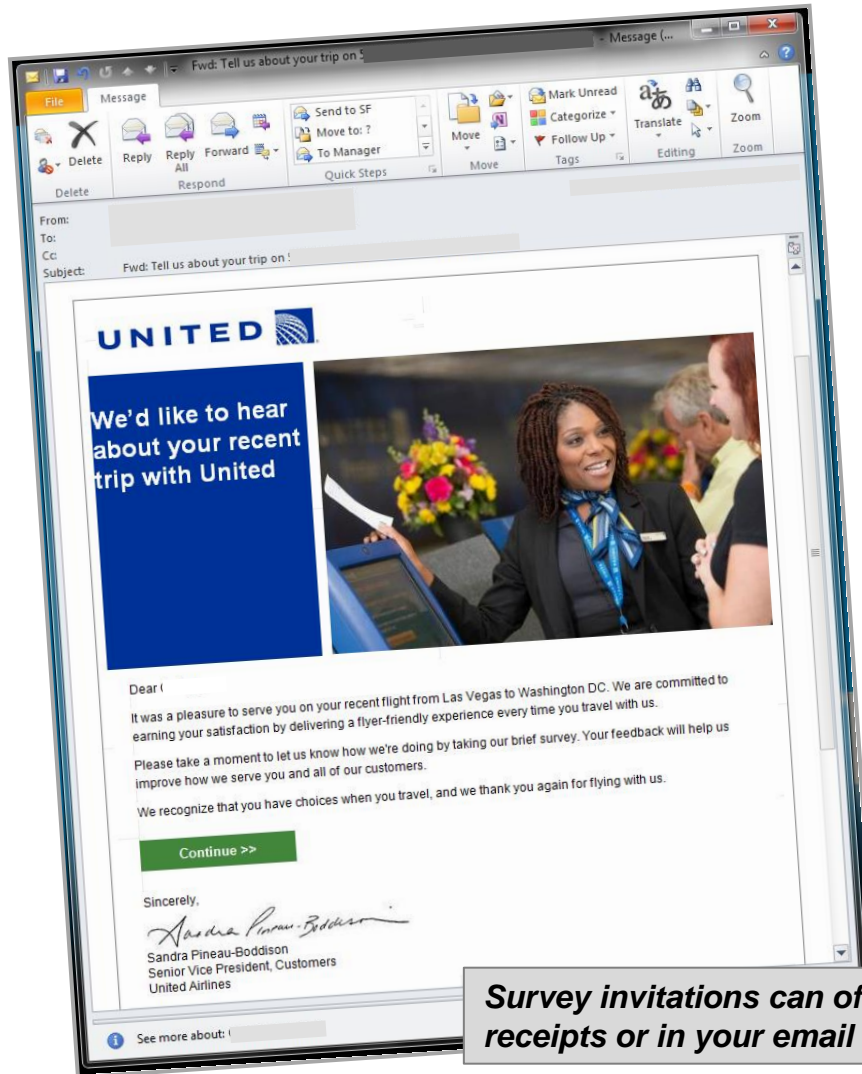
*All respondents will receive a \$15 gift card in exchange for their participation*

- ✓ Ensures highest response, even from hard-to-reach groups

- ✗ Most expensive (both incentive, admin costs)
- ✗ May motivate unqualified people to “game” survey
- ✗ May fall under compensation regulation

## Writing A Survey

# Before you write a survey, become more familiar by taking as many surveys as possible



**Just as reading books will make you a better writer, taking surveys will help you become a better researcher**

As you take surveys, ask yourself:

- What is this researcher trying to understand?
- Is this survey capturing how I really feel and what I really think? What works well? What's not working?
- Are these questions concise, specific and understandable?
- What structures are tedious, annoying or confusing? Why?
- What else about my opinions would I want the researcher to know? What questions would have captured these opinions?
- Is there a compensation for this survey? Is that compensation compelling to me?

***Survey invitations can often be found on receipts or in your email***

# A great survey accomplishes its goal in as few questions as possible

## Long surveys result in:

### Worse data

- Respondents may exit a survey early and not answer all questions
- Respondents may rush to the end of a survey by randomly selecting responses without carefully reading questions

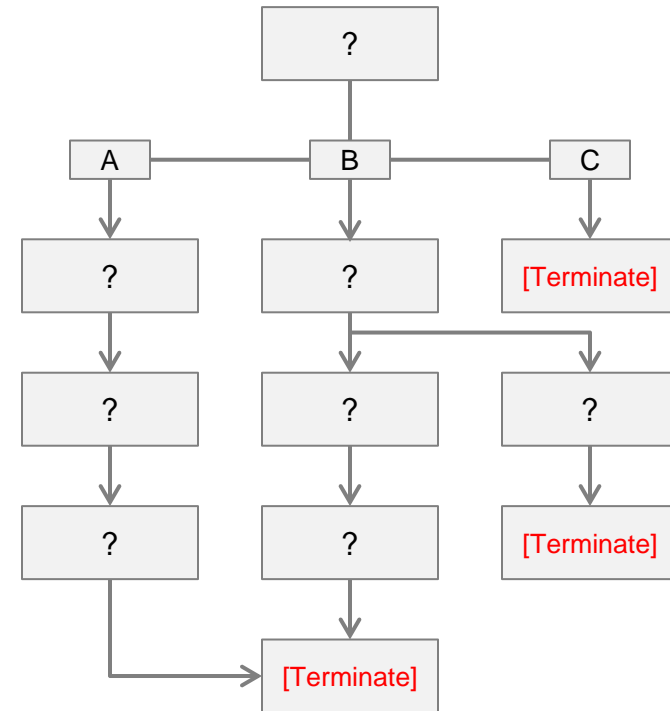
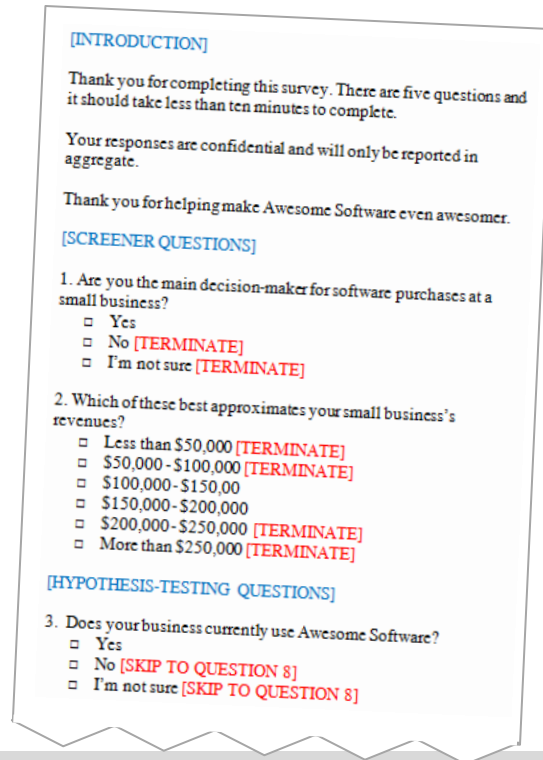
### Worse analysis

- Good analysis is focused and targeted against testable hypotheses
- Avoid “fishing expeditions”



**Unless you are offering a significant incentive, attempt to keep surveys to ten or fewer questions**

# Draft your survey in a word processor or with a diagram before programming



You may find it helpful to use conventional formatting:

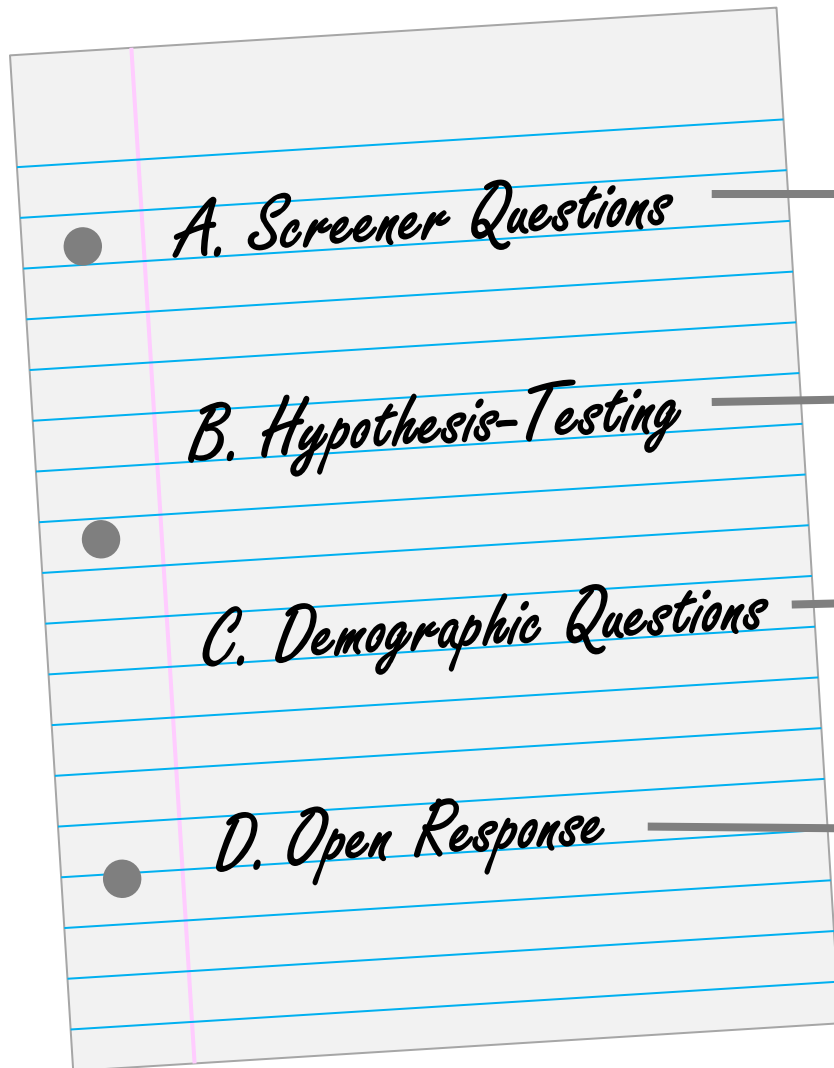
- **Black text:** Survey content
- **Blue text:** Survey organization
- **Red text:** Survey logic and programming
- **Numbered questions** help direct logic (exclude numbers when programming the survey, however, as they may confuse respondents)

Diagrams are useful if your survey has complex logic

They are helpful not only in drafting the survey, but also in testing its programming. Use a diagram to test your survey by taking each "path" through the survey and marking off when each one has been successfully tested



# Most surveys follow a typical structure



## A. Screener Questions

**Determining a respondent's eligibility to complete the survey**

*"Which of these have you purchased in the last six months?"*

- **Testing your hypothesis**
  - **Typically the bulk of a survey**
  - **May include text questions**
- "How important are each of the following?"*

## B. Hypothesis-Testing

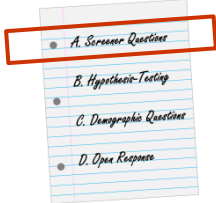
- **Understanding your respondents**
  - **Examples include age, income, etc.**
  - **Often feel similar to screener questions**
- "Please enter your age"*

## C. Demographic Questions

**An open text box to capture final thoughts**

*"Is there anything else you think we should know about your experience?"*

## D. Open Response



# Since incentives can prompt people to “game” surveys, qualifying factors should be hidden within screener questions

## Instead of asking exactly about screener...



Are you the main decision-maker for software purchases at a small business with revenues between \$100,000 and \$250,000 per month?

- Yes
- No [TERMINATE]
- I'm not sure [TERMINATE]



Have you purchased a laptop in the last twelve months?

- Yes
- No [TERMINATE]
- I'm not sure [TERMINATE]

## ... hide your criteria within a list



Which of these best describes your role in your business's software purchasing decisions?

- I am the main decision-maker
- I support purchasing research and another person in my organization provides ultimate approval
- I have no role in purchasing software in my organization [TERMINATE]

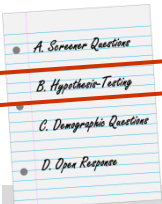
Which of these best describes your organization's revenues?

- Less than \$50,000 per month [TERMINATE]
- \$50,000 - \$100,000 per month [TERMINATE]
- \$100,000 - \$150,000 per month
- \$150,000 - \$200,000 per month
- \$200,000 - \$250,000 per month [TERMINATE]
- More than \$250,000 per month [TERMINATE]



Which of these have you purchased in the last twelve months?  
[RANDOMLY SORT OPTIONS]

- Cell phone
- Desktop computer
- Laptop [TERMINATE IF NOT SELECTED]
- Wearable technology (Apple Watch, Fitbit, etc.)
- Television streaming device (Apple TV, Chromecast, Roku, etc.)
- Television
- Other technology purchase



# Scaled agreement is a common and effective question type

- Also called a “Likert scale,” these responses measure the strength of a respondent’s feelings
- Choices are referred to as “points”: a five-point Likert scale question has five responses
- Well-written answer selections are symmetrical (the extreme choices are true opposites of each other), balanced (equal number of choices for agreement and disagreement) and neutral (do not imply a value judgement with choice selection)

Please indicate the degree to which you agree with the following statement: Awesome Accounting software is easy-to-use.

- Strongly Disagree
- Somewhat Disagree
- Neither Agree nor Disagree
- Somewhat Agree
- Strongly Agree

- ✓ Scale points mirror each other: “Strongly Disagree” is the opposite of “Strongly Agree”
- ✓ Agree / Disagree language is neutral

How did your service call with Awesome Accounting compare with your expectations?

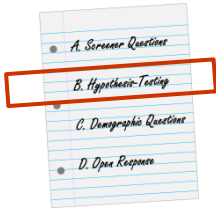
- Fully Below Expectations
- Somewhat Below Expectations
- As Expected
- Somewhat Above Expectations
- Fully Above Expectations

- ✓ Scale points mirror each other
- ✗ Asking about “expectations” is not advised because customers’ expectations vary widely and thus answers are not comparable

How important is a mobile app to you when selecting accounting software?

- Unimportant
- Somewhat important
- Usually important
- Very Important
- Extremely Important

- ✗ Scale points are not symmetrical and are unbalanced: four of five choices assume that mobile app is important to some degree



# Most scaled agreement questions are best served by a five-point scale, but other options exist

Two questions drive the appropriate selection of scale points for a survey:

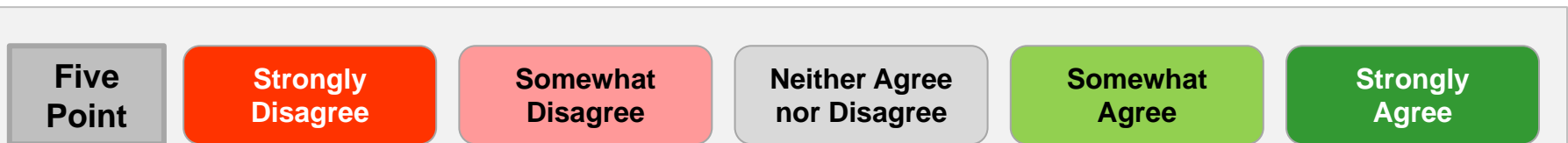
1. Do you want to provide a “neutral” or “no opinion” middle option?
2. Do you believe that respondents can adequately discriminate between points? (E.g., is a 7 different from an 8?)



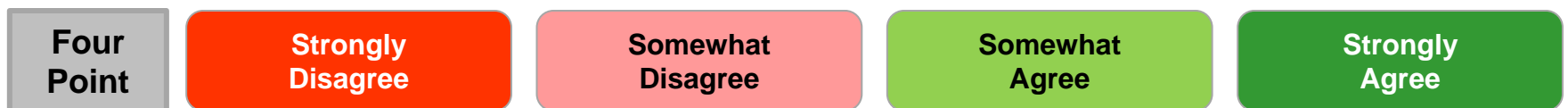
*Often used for “How likely are you” questions, including Net Promotor Score*



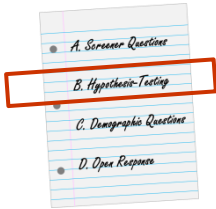
*More detailed alternative to five-point scale*



*Most commonly used and the best choice for most cases*



*Excludes a neutral response and forces an opinion*



# Grid questions are effective only in small doses

Grid questions provide precise, directly comparable data for a list of items.

**However, respondents often find them irritating and monotonous, and they may prompt a respondent to exit a survey or to provide bad data.**

Therefore, use these types of questions sparingly.

## Scaled agreement

How important are each of these in your choice of a checking account for your business?

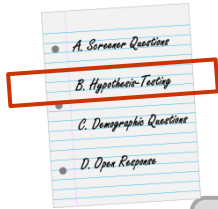
	Not Important	Somewhat Important	Very Important	Unsure or Does Not Apply
Monthly fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local retail office	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online access	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobile app	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Linked debit card	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Do not require a response for each entry, since respondents may not understand or be familiar with each**

How familiar are you with each of these accounting software?

	I have never heard of it	I have heard of it, but I haven't used it	I have used it, but I do not currently use it	I currently use it
Awesome Accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting XYZ	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online Accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting Always	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Angels Accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Choices are inclusive of all possible outcomes**



# Net Promotor Score (NPS) is a common and powerful customer satisfaction metric

“How likely is it you would recommend us to a friend?”



Net Promotor Score (NPS) was developed by Bain & Co. as a customer satisfaction and loyalty metric. It is a common type of a “Likelihood to Recommend” (LTR) question

The NPS question asks respondents on an eleven-point scale how likely they are to recommend a product, service or experience to a friend (*see above*)

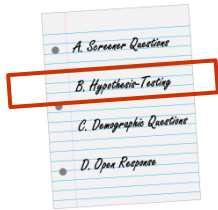
Respondents are categorized as “Promoters” (10 or 9), “Passives” (8 or 7), or “Detractors” (0 – 6.) The question’s ultimate score is the difference between the percent of respondents who are promoters and the percent who are detractors, with scores ranging from -100 (all respondents are detractors) to +100 (all respondents are promoters)

NPS is popular: Bain reports that NPS is now used by more than two thirds of Fortune 1000 companies

- It is easy to understand
- It has been shown to predict loyalty outcomes
- Because it is widely used, competitive benchmarks are often available

NPS questions are often followed by a comment box that tailors is question to the response: detractors may be asked what could improve their rating, whereas promoters may be asked what they like best

Many major survey companies, including SurveyMonkey and Qualtrics, have NPS-specific templates



## Avoid these question types (I of II)

*“Which of these best describes your experience with the flux capacitor data compression widget?”*

*“How satisfied are you with Awesome Accounting’s REP CSR process?”*

### Jargon and Technical Language

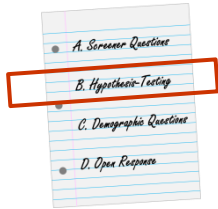
- You may want to know what customers think about detailed product features or about company-specific operations. However, customers may not be aware of such specific items, or may not have opinions of them
- **INSTEAD:** Consider using more general inquiries, more commonly-understood language, defining specific terms or allowing customers to indicate “Don’t Know / No Opinion” as an option

### Biased Phrasing

- Wording that confuses a respondent or prompts a certain response:
  - Implied agreement: “Don’t you agree...”
  - Emotional phrasing: “Ethical companies...”
  - Introducing favorable information: “... award-winning software...”
- **INSTEAD:** Rephrase questions to reflect a neutral point of view

*“Companies that don’t track personal expenses risk ruinous fraud and total disaster. How important do you think it is to track company expenses?”*

*“How interested would you be in using a revolutionary, advanced, powerful accounting software?”*



## Avoid these question types (II of II)

### Double-Barrelled Questions

- “Double-barrelled” questions ask respondents to provide a single opinion in response to two prompts.
- Often, these are two items the survey author believes are related (e.g., a bank’s trustworthiness and its pricing transparency) but may not be synonymous to all survey respondents
- **INSTEAD:** Break double-barrelled questions into two separate inquiries

*“Which of these banks is most trustworthy and most transparent in its pricing?”*

*“I have great data on my customers and know how to market to them.  
Agree – Disagree”*

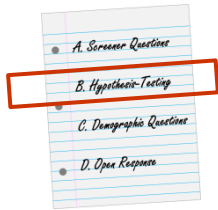
*“Rank each of these product features in order of their importance to you”*

*“Rank each of these media sources in order of how often you engage with them (read, watch, listen, etc.)”*

### Ranking Questions

- People are typically only thoughtful about their most-important and least-important options
- Difficult to express analytically or in comparison
- Does not measure relative magnitude of importance
- **INSTEAD:** Either move to a grid question with scaled agreement, or to a drag-and-drop category question with scaled agreement





# Open response questions can provide helpful information, if used carefully

Respondents answer open-response questions using their own words and free-form text

While these questions cannot substitute for the richness of customer interviews or focus groups, they can help explain unexpected scores or explore areas where you lack a clear hypothesis

## Designing

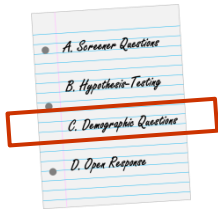
- **Target your audience:** Respondents who are uncompensated, uneducated, unused to typing or responding on a mobile device will provide lower quality responses
- **Use sparingly:** Response quality declines after many questions
- **Do not require response:** Respondents will provide bad data (e.g., “asdf”) or exit survey

## Writing

- **Above all else, be specific:** Specific prompts are easier for respondents to answer, for marketers to analyze and for operators to act upon
- **Narrow question with superlatives and prioritization:** Use language like “Single thing you would change” “Most important feature” “Best aspect” “Least favorite part”
- **Use survey logic to tailor question:** Use different phrasing for highly satisfied, neutral and highly unsatisfied respondents to prompt more actionable feedback
- **Phrase questions naturally or in conversational context:** For example, “What would you tell a friend about our product?”

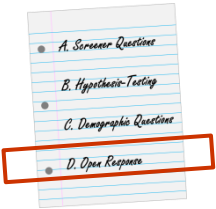
## Analyzing

- **Group related comments and report on themes:** Report on trends across multiple comments
- **Do not overreact to negative comments:** Strongly-held negative opinions prompt longer responses and overall samples tend to be biased towards these views
- **Consider following up with customer interviews:** If you collect email addresses and permission to contact, you can reach out to respondents with useful opinions for customer interviews



## Demographic questions sort respondents into groups based on their characteristics, usually for segmentation

- Common business demographics:
  - Location
  - Monthly / annual revenue
  - Number of employees
- Common personal demographics:
  - Age, Gender, Race / Ethnicity
  - Income
  - Education
- **Some questions may be sensitive in certain cultures**. Include a “Other / Prefer Not to Answer” option to discourage survey abandonment or dishonest answers
  - Providing a reason for requesting information may improve response rate: “So that we can act on your feedback in our local operations, please provide your ZIP code.”
- It’s easy to ask too many demographic questions since they can feel boilerplate or zero cost. **Force yourself to only include questions you will use in analysis**, because asking too many questions may make respondents feel that their anonymity is compromised or that the survey is too long
- When analyzing data, it’s easier to roll up more detailed data than it is to deconstruct bigger groups
  - For example, rather than asking Age in 20-year or 10-year intervals, ask either respondents’ direct age or age in 5-year buckets, and then combine into categories in later analysis
- Best practice **places these questions towards the end of the survey** because they are easier to answer than hypothesis questions and are less intimidating to a fatigued respondent. (Exception: where a demographic question is used as a screener, in which case it should be at the beginning of the survey)



## Concluding your survey with an open response box is almost always helpful

Is there anything else you think we ought to know about your experience with Awesome Accounting?

Your answer

Thanks for taking the time to complete our survey. Is there anything else you would like to share about how your company purchases software?

Your answer

This concludes our survey. Please feel free to share any other thoughts or comments regarding your recent help desk experience below.

Your answer

Survey questions will often prompt people to think of other, related opinions that are not directly addressed in the survey. Though these opinions may not be able to be quantified, they can be a good source for quotes and color

An open comment box is also a good housekeeping tool to catch problems with your survey's wording, programming or length, since unhappy respondents may mention these in comments

## Administering A Survey

# Before you launch your full survey, test your questions and programming on small groups

1



Ask colleagues or friends to test your survey by taking it several times and selecting different options

Update your survey as necessary

2



Administer your survey to a subset of the overall population you intend to test (e.g., customer emails, agency panel)

Check your completed test data for:

- Abandonment: Are respondents completing the survey? Do they exit at any single question that can be altered to keep them in the survey?
- Data: When you download the data, can you read it easily? Did logic program correctly?
- Comments: Are respondents complaining about length or other survey issues?

Update your survey as necessary

3



Administer your survey to the entire sample

# Don't program your survey to require a response to each question

## Respondents often have a good reason to not answer a question

- They don't understand what it is asking
- The options don't reflect their opinions or reasons
- They are fatigued and not thinking critically about answer choices

**If a respondent doesn't feel comfortable answering a question, they will either answer inaccurately or dishonestly, or they will exit the survey**

## Therefore, a good survey allows respondents to skip questions:

- Provide an "Other", "Not Applicable" or "I don't know" option
- Don't program survey to require a response before moving forward

**Exception: Require answers where they are necessary** for respondent screening and for survey logic (e.g., customers who have tried a product receive one set of questions, those who have not tried it receive a different set of questions)

# Market research can either be outsourced or owned in-house

## Nearly all aspects of market research can be outsourced to specialist firms:

- Interview guide / survey writing
- Programming survey
- Providing a survey panel
- Managing incentives payout
- Video recording of interviews or focus groups
- Results reporting
- Recommendations based on results

## Professional market research firms have important tools at their disposal:

- Consulting expertise in writing and evaluating survey questions
- Contact information for pre-screened respondents who meet criteria
  - Often referred to as “panels” or “survey panels”
  - Examples: “IT purchasing managers in Nigeria,” “University-educated mothers in Mexico City”
- Online platforms to automate administrative tasks like email distribution and incentive delivery
- Specialized software for complicated analyses such as max diff or conjoint analyses
- Automated data “cleaning” that removes responses from individuals who took the survey too quickly or demonstrated other suspicious behavior

# When should you outsource your market research survey?

## Outsource your survey when...

- You are studying a **difficult-to-reach population**
- Your results need **third-party credibility**
- Respondents require a **true guarantee of anonymity**
- You want to use **advanced techniques** that require special software or expertise
- Your team does not have the **expertise or bandwidth** for a study

## Keep your survey in-house when...

- Your organization **can't afford** an outsourced study either once or on an ongoing basis
- You **need results quickly** and can't take time to negotiate a contract
- Your internal staff need **personal, nuanced familiarity** with customer preferences (e.g., a product design team researching whether customers will understand a new interface)



# If you decide to outsource a survey, you will need to select an agency and negotiate a price

## Selecting An Agency

### A good agency will...





- Be upfront about their abilities in certain geographies, types of studies, languages, etc.
- Provide you with references and introductions to former clients to discuss past experience
- Create a bid for no cost
- Itemize all pricing and be able to explain each charge
- Be willing to test your study with a small sample and to pause to improve questions and focus

## Key Levers in Negotiating Pricing

- **Number of survey completes**: Basic building block of pricing
- **Use of survey incentives**: Besides the amount paid to survey respondents, an agency will often charge a handling fee for managing the process
- **Complexity of programming**: Advanced techniques like max diff or conjoint analyses require special software or specialist time, which comes at a cost
- **Targeted sample**: Whether screening for demographic (age, income, etc.) or behavior (intent to purchase, listens to the radio, etc.), the harder it is to source a group, the more you will pay
- **Logistically-complex demographics**: Additional price offsets logistics costs and any associated risk
- **Translation services**: Administering a survey in multiple languages or receiving translations of free responses requires additional compensation
- **Documentation**: Research interviews can be documented through audio recording, photographs, video recording, transcription, etc.

# Selection of survey administration channel depends on tradeoffs between cost and effectiveness

## Most common drivers of selection

		Most common drivers of selection		Timeliness	Length / Complexity	Incentive Support
		Cost	Reach			
	<b>Online</b>	Cheapest	Cannot reach those without Internet or smartphone	Very rapid, often a day or two	Can support longest and most complex surveys	Incentives can be emailed or mailing addresses collected
	<b>Mobile Phone / SMS</b>	Requires special software and telco fees	Reaches low-end cells, but not landline or no phone	Very rapid, usually in one day	Suitable only for short, simple surveys	Difficult to provide cash or collect address to be mailed
	<b>Phone Call</b>	Significant cost for manhours	Can reach all phones, but not those without phones	Depending on scope, can take days to weeks	Most suitable for short, simple surveys	Mailing addresses can be collected
	<b>In-Person</b>	Significant cost for manhours and processing	Can reach any and all humans	Depending on scope, can take days to weeks	Can support long and complex surveys	Incentives can be provided directly or mailed

# Intercepts and in-home interviews are two common methods of in-person survey administration

## Intercepts

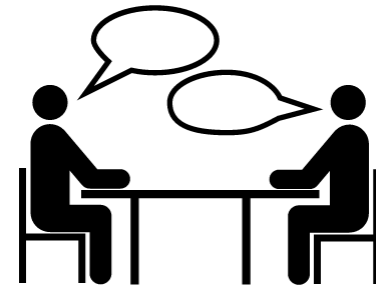


For an intercept interview, a researcher stands in an area with high foot traffic and buttons passersby to ask them to participate in a survey.

The researcher may record responses on a paper clipboard, or may carry a tablet with a programmed survey.

These interviews are more quantitative than qualitative and can often reach a high volume of even difficult-to-source populations

## In-Home Interviews



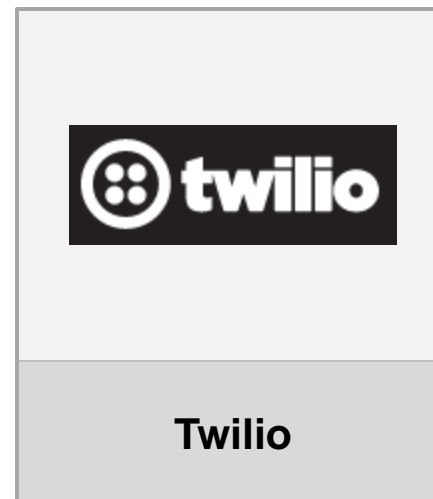
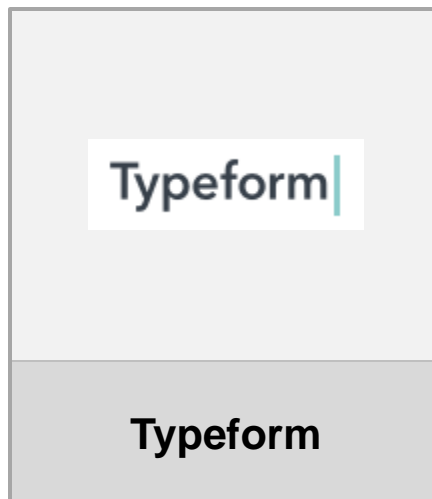
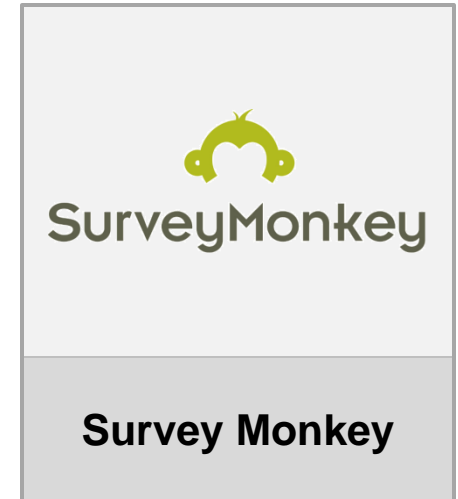
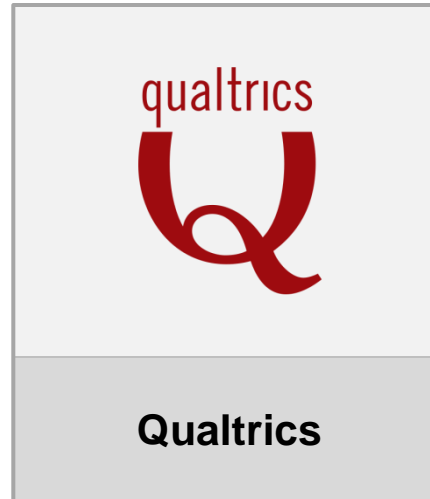
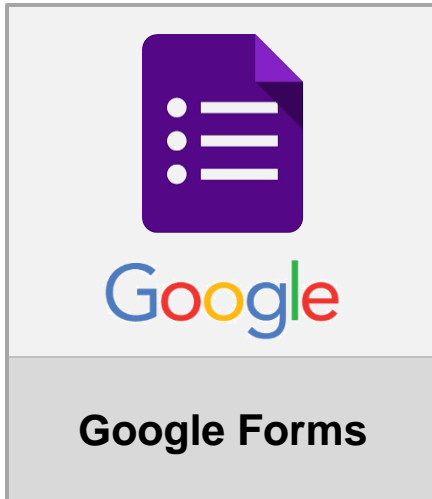
For an in-home interview, a researcher arranges a visit ahead of time with an individual, who is often asked to complete “pre-work” by filling out detailed forms (household financials, etc.) or by trying a product.

In addition to dialogue, a researcher may be shown the family’s pantry, personal wallet, or other items.

These interviews are very qualitative as well as quantitative, and given the time commitment, compensation is relatively high

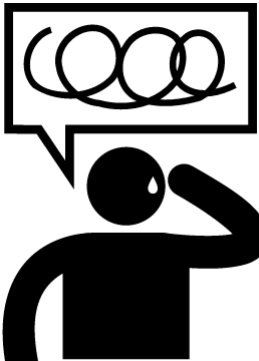
“In-home” style interviews may be “in-store” or “on-site” for B2B studies

## Free or freemium online survey tools



## Analyzing a Survey

## Remember that analysis is the most important part of administering a survey



Inexperienced survey writers often **focus first on writing their survey** and only think about analysis once the data has been returned

This “fishing expedition” approach results in worse analysis:

- Unnecessary questions are fielded to respondents
- Significantly more time “experimenting” with analysis
- Questions may not be at the appropriate level of detail



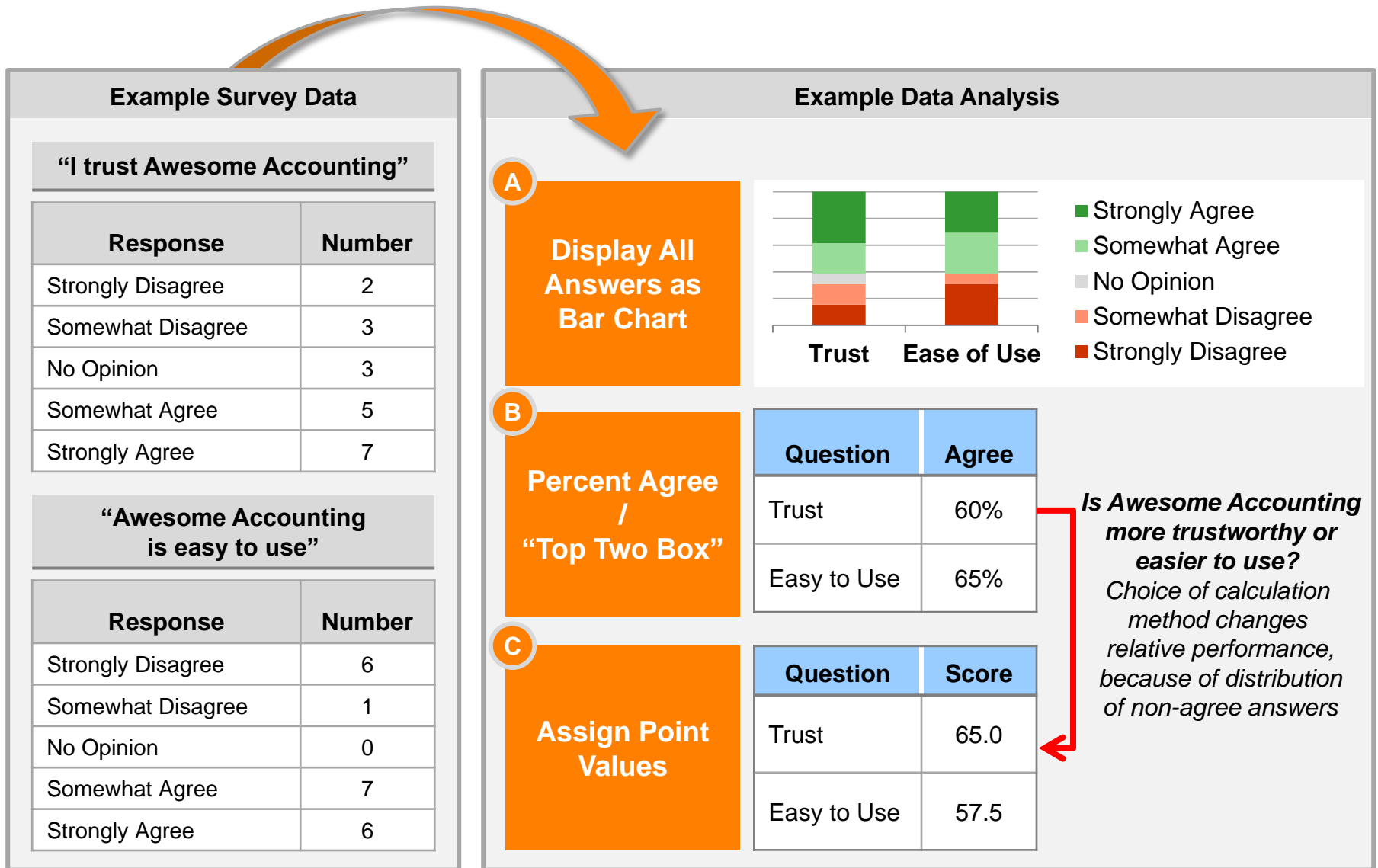
Experienced survey writers **think first about the analyses they will run** and write their survey to match the slides or other output they will need

A best practice is to create mock-ups of the actual slides or other ultimate output prior to writing or administering the survey. Even if handwritten or in other sketch form, this will help focus survey composition

# Scaled agreement questions can be analyzed in several ways

	Overview	Advantages	Disadvantages
<b>A</b> <b>Display All Answers as Bar Chart</b>	<ul style="list-style-type: none"> <li>• A bar chart showing percent indicating each response</li> <li>• Best for analysts or detail-oriented leaders</li> </ul>	<ul style="list-style-type: none"> <li>✓ Displays full data</li> <li>✓ Visual display can be especially persuasive</li> </ul>	<ul style="list-style-type: none"> <li>✗ Difficult to directly compare responses to multiple questions or a single question over time</li> </ul>
<b>B</b> <b>Percent Agree / “Top Two Box”</b>	<ul style="list-style-type: none"> <li>• Percent respondents agreeing (“top two boxes” of five usually “Somewhat Agree,” “Strongly Agree”)</li> <li>• Good for senior or external communication</li> </ul>	<ul style="list-style-type: none"> <li>✓ Easy to communicate: “75% agree that...”</li> <li>✓ Easy to compare: “More respondents agree that... than...”</li> </ul>	<ul style="list-style-type: none"> <li>✗ Does not discriminate strength of disagreement</li> </ul>
<b>C</b> <b>Assign Point Values</b>	<ul style="list-style-type: none"> <li>• Each response is assigned a point value (e.g., “Strongly Disagree = 0, Somewhat Disagree = 25... Strongly Agree = 100) and sums are averaged</li> <li>• Best for KPIs measured over time</li> </ul>	<ul style="list-style-type: none"> <li>✓ Discriminates strength of disagreement</li> <li>✓ Easy to compare point values across many responses or over time</li> </ul>	<ul style="list-style-type: none"> <li>✗ Difficult to explain</li> </ul>

# Example: Analyzing the same scaled response data multiple ways





## Designing a Focus Group

# Focus groups can also be a tool for understanding customers

- **Focus groups can be helpful for:**
  - Developing hypotheses through open-ended questioning
  - Understanding underlying motivations for customer preferences and behaviors
  - Identifying behavioral customer segments
  - Building insight on topics like:
    - Purchase decision
    - Resonance of value proposition
    - Current practices and availability of alternatives
    - Desire for new features
- **Focus groups allow you to understand not just the “what” of customer opinions but also the “how” and the “why”**
- **This format also allows you to efficiently gather ideas from multiple people at once and to engage people in a more natural conversation pattern**

# But they require careful design and preparation to maximize their value

## Designing

- **Identify 3-5 topic areas:** Focus groups work well to gather background information about consumers as well as to test preferences and motivations on different topics. Determine priority topics to cover with your group
- **Draft a facilitation guide:** Write a script for facilitator that includes 1) guidelines for how to engage participants 2) open-ended questions on each of the key topic areas 3) a rough timeline for flow through the topics over 1-2 hours
- **Determine audience:** Focus groups can be useful for engaging current customers (on satisfaction, product enhancements, etc.) as well as non-customers. Be clear about what audience you need for your objectives and hypotheses
- **Determine in-house vs. outsource:** weigh benefits of owning in-house (cost savings, better knowledge of product) with trade-offs of time commitment

## Preparing

- **Recruit participants:** Invite 8-12 participants per focus group session, aiming for a representative set of the target audience in most cases. In some cases, you may want to consider hosting multiple groups that are segment specific (i.e., hold single-gender groups if there are sensitivities around gender dynamics that mean women would be unlikely to speak up in mixed-gender settings).
- **Determine compensation:** Providing some incentive for participation may be helpful for recruiting participants; At minimum consider providing snacks and travel reimbursement (esp. if working in rural areas or targeting low-income consumers)
- **Find a space:** Aim to hold focus groups in a comfortable setting, where participants and facilitator can sit in a circle and speak to one another. A space with a chalk/whiteboard or flip chart can also be helpful to facilitation
- **Find a translator (if necessary):** Whenever possible, focus groups should be conducted in consumers' own language. If you do not speak the language, find a facilitator who does and a note-taker who can help translate

# Facilitators play a key role in structuring the conversation and probing for insights

## Facilitation tips

- Push people to give specific answers by saying “tell me more”, “help me understand”
- Understand motivations by asking “how” questions
- Seek input from all by giving a chance for everyone to speak, but don’t pressure people who don’t want to answer
- Don’t correct people
- No leading questions
- Include some questions where everyone participates (i.e., “raise your hand if...” and call on certain people to elaborate & share the floor)
- Move on if you get stuck on sensitive topics

## Sample introduction script

- 1. **Welcome**: *Thank participants. Introduce moderators and purpose of focus groups as well as any payment for participation*
- 2. **Ground Rules**:
  - *We want you do the talking.*
  - *We would like everyone to participate. I may call on you if I haven’t heard from you in a while*
  - *No right or wrong answers: every person’s experiences and opinions are important.*
  - *Speak up whether you agree or disagree. We want to hear a wide range of opinions.*
  - *What is said in this room stays here. Your answers are completely anonymous*
  - *Any questions? Is the process clear?”*
- 3. **Introductions**: *Ask all participants to introduce themselves*

# Outline of a high-level focus group facilitation guide: Product pricing study example

**Questions to start the conversation: build on these types of starters with follow-up questions to deepen and clarify**

Topic	Sample question(s)
Introductions	<ul style="list-style-type: none"> <li>• <i>What's your name?</i></li> <li>• <i>Where are you from?</i></li> <li>• <i>Tell me about your household– how many people live with you?</i></li> </ul>
Economic lives	<ul style="list-style-type: none"> <li>• <i>What is your daily income?</i></li> <li>• <i>What are your top spending priorities?</i></li> <li>• <i>Are you part of a savings group? If so, how many?</i></li> </ul>
Experience with product	<ul style="list-style-type: none"> <li>• <i>How did you make your decision to buy the product?</i></li> <li>• <i>How satisfied are you with the product?</i></li> <li>• <i>Would you recommend the product to a friend?</i></li> </ul>
Previous practice	<ul style="list-style-type: none"> <li>• <i>Before using the product, what (if anything) did you use?</i></li> <li>• <i>How did you decide what to use?</i></li> <li>• <i>How does the product compare to alternatives?</i></li> </ul>
Willingness to pay	<ul style="list-style-type: none"> <li>• <i>Are you interested in continuing to use the product?</i></li> <li>• <i>Would you be willing to pay for the product if ... (test different pricing levels and structures)?</i></li> </ul>

**Always conclude by asking if participants have anything else they would like to share**

# Focus groups yield qualitative data that can help you identify trends and topics to test further

## During the focus group

- Take thorough notes through the session, if possible attributing comments to people based on their demographic/behavioral characteristics

## Right after focus group

- Debrief on what you heard during the session and re-read notes to identify big picture themes and common trends

## Building on focus group

- Acknowledge limitations of small sample sizes and conversational formats, and prepare additional questions to test in larger surveys or with more in-depth one-on-one conversations

## Special Considerations

# Special considerations for B2B vs B2C

## Key Differences Between B2B and B2C Market Research

B2C Market Research	B2B Market Research
<b>Large numbers</b> of potential research subjects exist	<b>Small numbers</b> of potential research subjects exist
<b>Impulse, emotion and idiosyncrasy</b> are challenging influences to measure	<b>Inertia, politics and internal incentives</b> are challenging influences to measure
User and purchase decision-maker are the <b>same person</b> , valuing the same things, and understood through the same outreach	User and purchase decision-maker are often <b>different people or teams</b> , valuing different things, and often requiring distinct outreach
<b>Customers are typically not experts</b> and may have limited understanding of or enthusiasm for product	<b>Purchasing managers are often experts</b> with extensive understanding of and enthusiasm for product
<b>Low risk.</b> Consumers have realistic ideas as to company's responsiveness to a single comment, or may not even be aware of survey's author	<b>High risk.</b> Personal relationships with existing clients may lead to expectation of acting on feedback, and reaching out to non-customers "uses up" a sales lead

*Note: Research on very small businesses often looks more like B2C than B2B*



**Therefore, B2B studies are more likely:**

- To require incentives for participation
- To be interview-based, rather than survey-based
- To be more complex, rigorous and involved (to justify the investment)
- To not be anonymous for customers (to enable response to comments) or for companies (to prompt participation)
- To cooperate with Account Management or other customer relationship management



# Special considerations in emerging or frontier markets



- **Lack of infrastructure**: Given uneven availability of mailing addresses, phones and Internet access, surveys are especially difficult to administer and studies may need to rely on qualitative interviews
- **Different cultures may have different social responses to surveys**: For example, Mexican respondents often rate satisfaction significantly higher than other cultural groups
- **Income is an unreliable indicator of lifestyle**: Buying power and currency conversions can vary widely within short distances. Consider segmenting by other lifestyle indicators instead, such as “Do you have air conditioning?” or “Do you have help with your household?”
- Weighting responses for a representative total is often not possible because overall population numbers may not be available. For example, the true proportion of college-educated mothers in Uganda may not be known or may not be consistent between multiple population studies. Thus, your responses need to be phrased in terms of your survey sample, not the overall population
- If your product has a social benefit and if you do not need results urgently, you may be eligible to apply for a grant to fund a large study
- Consider working with a specialist market research firm to overcome these challenges

# Agencies specializing in frontier / emerging market research



“**Bamba** is a real-time data gathering platform to access and engage the 1.5B people in the emerging markets on their mobile feature phones using SMS channels. We provide instant mobile airtime payouts to subsidize their income and ultimately motivate our users to provide the data our clients need in days, not months”

“**Frontline Market Research** has a network of Field Teams and Co-ordinators in 23 African countries. Services cover the entire research spectrum from conceptualization and design to implementation, analysis and reporting at any level”



“**mSurvey**’s intuitive technology enables you to design surveys through an online platform, immediately push your surveys as SMS text or mobile messages, and view responses to your surveys in real time. Surveys can be targeted at your existing network or a subset of the mSurvey community network, made up of individuals across Africa, Asia and the Caribbean”

“**Premise Data** gathers economic and human development data in real-time.” “Premise pays people in countries such as the Philippines and Nigeria to collect information on everything from cigarette prices to personal preferences about hygiene”



**Sagaci Research**  
Market intelligence across Africa

“**Sagaci Research** provides high-quality market research and market intelligence to businesses interested in African countries. Sagaci Research reports, databases and field research (quantitative/qualitative) provide an up-to-date in-depth understanding of the key sectors”

**While Accion Venture Lab does not have direct experience with these firms, we support their focus and mandate**

# Special considerations for startups

## **Research must be frequent, agile and without assumptions**

- “Early Adopter” customers are often very different from “Majority” customers in their motivations, preferences and behaviors
- Product pivots, introduction of new features, changes to pricing structures and many other company shifts should be rooted in customer feedback and research

## **Given startups’ limited resources, studies must be cost-effective...**

- Customer research’s indirect bottom-line contribution must compete against other types of investment (advertising, salaries, inventory) with more direct contribution to bottom-line
- Small companies typically don’t have dedicated staff for marketing or research

## **... and time-effective**

- Demands of business often require quick turnaround on research

## **Be aware of how compromises made for time or money may influence your results**

- Respondents sourced from personal networks or second-degree connections may not be representative of total population
- Surveying current customers may not help you understand why others do not buy

## **Watch out for common survey writing and administration mistakes**

- Surveys that are too long or too complex
- Unclear, biased or broad questions

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