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SMALL BUSINESS PERCEPTIONS OF POSTAL AND ONLINE SURVEY RESEARCH

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Track: Marketing Research and Research Methodologies

Abstract

Concerns over the overall cost of marketing research and the cost per usable response have in large measure caused marketing practitioners to turn to online marketing research techniques, either as a solus technique, or in a mixed mode application. However, the use of e-mail and mixed mode surveys such as postal invitations to complete online questionnaires present both familiar and new issues, as the extant literature illustrates. This paper examines an earlier study before reporting findings from the present study, which employs a method that ascertains the probability of commissioning four survey research methods, described in scenarios and delivered using e-mail and the World Wide Web (Web). It is evident that while perceptions of e-mail, the Internet, and privacy have changed since early use of the Internet and more particularly the World Wide Web, and there is acknowledgement in the literature concerning the lower costs and faster response speeds of online marketing research, small businesses do appear to discriminate in favour of targeted online survey methods over postal surveys, portrayed as scenarios in this study, but that this perception does not apply to all hybrid survey modes.

Introduction

There has been a noticeable growth in direct and online marketing that is reliant on database creation, maintenance and data mining such that over the period 1995 to 2001 in Australia, expenditure in this area of marketing grew from $6.6 billion to $16.4 billion, and came to represent over twice the expenditure on main media (Kotler et al. 2003). The strength of this approach to both vendors and buyers lies in the value the buyer perceives from their individual wants and desires being acted on by the vendor over a period of time (Loveman 2003). Nevertheless, the mass marketing paradigm remains in evidence in repertoire markets (e.g., fast moving consumer goods) (Sharp, Wright & Goodhardt 2002), and its reliance on marketing research to assess the performance of marketing mix variables (Culliton 1948; Borden 1964) such as advertising continues. So, too, continue the issues surrounding marketing research such as falling response levels and the concomitant rising costs per usable response, issues concerning coverage in repertoire markets, and the related issue of data quality generally (Schaefer & Dillman 1998). The study reported in this paper, and which involves small business, continues the examination of data collection techniques adopted by marketing organisations in their efforts to overcome impediments to achieving optimal decision science information.

Background

In conducting marketing research to assess the performance of marketing mix elements such as advertising, one or all of a number of research approaches are employed. These approaches range from relatively lower cost observational techniques through to relatively higher cost survey research.
Spectrum of survey research methods

In this paper, the focus is not on the choice of research approach such as when less costly qualitative research is substituted for more costly quantitative research, but on the choices available when embarking on the use of survey research. As academics point out, the cost of various survey research methods can be reduced, however, other issues (e.g., coverage errors) may arise (Bachmann, Elfrink & Vazzana 1996; McDonald & Adam 2003). At the more expensive end of the survey research spectrum lies the use of single-use lists purchased from reputable vendors. At the less expensive end of the spectrum lies the use of e-mail to gather responses from a list of addresses drawn from a subscriber market such as members of a theatre company (Garbarino & Johnson 1999). In between lie a number of hybrid or mixed mode approaches that are primarily designed to overcome low response levels and/or reduce the likelihood of coverage errors (Schaefer & Dillman 1998). It is not the intention herein to cover each and every self-administered survey research approach, but rather to focus on postal, e-mail and mixed mode, here termed hybrid mode.

Postal

The costs of printing, two-way postage, spraying home and/or business unit barcodes, and falling usable responses have spurred practitioners and academics to turn to use of the Internet (Net) and Mobile telephone networks in survey research. The major benefit afforded by self-administered postal surveys lies in the fact that those who can be identified by their address are not intruded upon to the same degree that electronic approaches interrupt. Moreover, recipients have a hard copy to complete at their leisure. At issue though, is whether recipients can be bothered to complete the questionnaires they receive and/or item-skip, particularly where personal information is asked for. This assumes that their comprehension of the written questions is such that they are able to answer accurately, or at all.

E-mail

At a theoretical level, and at a decreasing rate at a practical level, e-mail enables interaction between individuals, between individuals and entities such as business and government, and between these entities. It is contended that there is a decreasing rate of interaction at a practical level because e-mail has become perverted by use as the favourite tool of spammers, and by the persistent offence of sending larger and larger threaded e-mails, thus clogging users’ inboxes. Spam is e-mail sent in bulk and which is deceptive in nature (NOIE 2002; SpamLaws.com 2003). It is taken as a given that the threat of computer software virus and worm attacks has also served to reduce the trust that is necessary for there to continue mutually satisfying interaction using this medium. The issue has even greater pertinence in the case of e-mail research, for the parties are often unknown to each other. When Internet Service Provider (ISP) AOL reports that it repels more than two billion spam e-mails in a single day, it is little wonder that response levels to e-mail are falling (Yates 2003). While the current period has been called the era of addressability (Blattberg & Deighton 1991), not all e-mail addresses of repertoire customers are known, thus giving rise to coverage errors. In the case of subscribers, the population or sampling frame is identifiable and contactable via e-mail. In the latter situation, and where the e-mail address remains current, the benefits of e-mail marketing research include low cost and the greatest speed of virtually all data collection techniques (Weible & Wallace 1998). As McDonald and Adam (2003) point out, while a large proportion of e-mail addresses may be out of date, and even in subscriber markets, at least the technology enables researchers to establish that the e-mail has bounced back to the sender and therefore not reached identifiable respondents. Privacy is also
an issue, as reports by the Australian Privacy Commissioner indicate (Australian Privacy Commissioner 2001).

As Hanson (2000) observes, two reasons for using the Net, or more particularly its graphical face the World Wide Web (Web) in marketing are to increase coverage, and/or to increase productivity. The use of e-mail does both these things, however, despite the qualified advocacy by some researchers (Opperman 1995; Jackson & DeCormier 1999; Dommeyer & Moriarty 2000), issues abound. Some of these difficulties are overcome by use of HTML forms in tandem with e-mail.

**Mixed mode and hybrid mode**

Schaefer and Dillman (1998, p. 381) use the term mixed mode to describe the situation where "researchers can begin with an e-mail approach and use progressively more expensive methods for nonrespondents until an acceptable response level is reached". In this paper, we use the term ‘hybrid mode’ to describe the situation where either e-mail or postal invitations are used to pull the addressee to an electronic questionnaire (hypertext markup language, or HTML, form) or to opt-in and receive a questionnaire by any mode. As Dillman (2000) points out, however, mixed mode (and by implication hybrid mode) takes in a number of survey modes, and can give rise to respondents answering differently unless a unimode construction technique is adopted.

It is Schaefer and Dillman’s (1998) experiment that in large part prompted this study. These researchers achieved the same response level with both postal and e-mail surveys of a sampling frame of Washington State University faculty members who, one presumes, were familiar with the researchers and the methods employed. This point concerning use in a range of studies of convenience samples and/or samples that are well versed in information technology has been highlighted by McDonald and Adam (2003).

In the Schaefer and Dillman (1998) experiment, each of four groups received a pre-notice, a questionnaire, a thank you/reminder, and replacement questionnaire. The mode of delivery was the only difference in that there was an all paper group, an all-e-mail group, and two mixed mode groups where the third group received a paper pre-notice and thereafter e-mails. The fourth group received e-mails except for a paper-based thank you/reminder. The all paper and all e-mail groups achieved the same high response level of 58%, whereas the third group gained 48% response and the final group gained a 54% response. Moreover, e-mail open-ended questions generated responses averaging 40 words versus 10 words in the case of the paper version.

The matter of response levels and response quality raised by the Schaefer and Dillman (1998) study, and the issues concerning online data collection methods raised by McDonald and Adam (2003) and Dillman et al. (2001), as well as concerns that marketing practitioners may now hold jaundiced views of e-mail, also prompted this study. It is acknowledged that greater technological capabilities have been built into HTML Web form surveys since 1998 that raise their desirability as a research tool (e.g., Javascript is used to prevent item-skipping on scale questions and can also be employed to ensure that e-mail addresses are provided correctly).

**Research Aims**

The present study was designed with the aim of analysing small business perceptions of hybrid e-mail and Web form surveys, and the more traditional postal survey mode. From the literature review, the following hypotheses were developed for testing:

H1: For small business, the probability of commissioning (a) targeted e-mail/Web form surveys, (b) non-targeted e-mail/Web form surveys, and (c) hybrid postal/Web form surveys is higher than the probability of commissioning postal surveys.
H2: For small business, the incidence of associating Spam and privacy issues, as measured by word count in open questions, is higher for e-mail and Web surveys where e-mail addresses are harvested from randomly selected websites than for postal surveys.

Method

In this study, a Web (HTML) form questionnaire was prepared containing four research scenarios as set out in Table 1. The scenarios differ in their description of the way in which the sampling frame is derived and the questionnaire is delivered and returned. In Scenario One, a list of e-mail addresses of senior marketing managers is purchased from a reputable vendor, and the questionnaire is completed online. Scenario Two entails a list of non-targeted e-mail addresses drawn from public websites, with addressees invited to complete the questionnaire via the Web. Scenario Three entails a purchased list of postal addresses of senior marketing managers who are invited to complete the questionnaire via the Web. The final scenario involves a purchased list of postal addresses of senior marketing managers, together with postal delivery, and return of the completed questionnaire in a reply-paid envelope.

The questionnaire was kept to a minimum number of items to optimise the response level and response quality. For each scenario, two Juster scale questions (Brennan & Esslemont 1994) were employed regarding the respondents’ probability of responding to such a survey, and separately, the probability of commissioning such a study. The scale items were presented horizontally thereby adopting a unimode technique as used in a number of hybrid online and postal satisfaction surveys (e.g., McDonald & Adam 2003) and did not use drop down menus as used in some studies (Parackal & Brennan 1999). An open text box was also provided for each scenario to solicit other comments, particularly in relation to perceptions of Spam, without leading respondents in the matter.

The questionnaire used in this study was pre-tested with marketing academics, as well as with marketing practitioners, and improved upon accordingly. Approval of the relevant university ethics committee was sought and gained.

Table 1: Scenario Matrix

<table>
<thead>
<tr>
<th>Step</th>
<th>Scenario One</th>
<th>Scenario Two</th>
<th>Scenario Three</th>
<th>Scenario Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Hybrid</td>
<td>Hybrid e-mail list from randomly selected sites – e-mail invitation and Web form</td>
<td>Hybrid commercial list of senior marketing managers – postal invitation and Web form</td>
<td>Commercial list of senior marketing managers sent postal questionnaires with reply paid envelope.</td>
</tr>
<tr>
<td>Invitation/Pre-notice</td>
<td>E-mail</td>
<td>E-mail</td>
<td>Post</td>
<td>Post</td>
</tr>
<tr>
<td>Questionnaire</td>
<td>Web form</td>
<td>Web form</td>
<td>Web form</td>
<td>Printed paper</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>Automatic at website</td>
<td>Automatic at website</td>
<td>Automatic at website</td>
<td>None</td>
</tr>
</tbody>
</table>

The sampling frame comprised a panel of 343 small businesses developed and maintained by an Australasian marketing research firm. An e-mail invitation was sent by the research firm inviting the nominated manager to complete an online (Web) questionnaire. Panel members
used a unique password to gain access to the online questionnaire. Data submitted via the Web form interface was passed to a database and from there to Excel and SPSS for analysis.

**Findings and Discussion**

A response of 120 (35%) was achieved. Response quality was high in that the proportion of respondents who completed open text boxes by scenario is 46%, 38%, 35% and 33% respectively. However, as Couper (2000, p. 466) observes, “Survey quality is not an absolute but should be evaluated relative to other features of the design (such as accuracy, cost, timeliness, etc.)”. Certainly, the present study had a lower than usual cost due to access to an existing list, the use of an e-mail invitation/pre-notice, and minimal data collection costs through use of a self-administered online questionnaire linked directly to a database. Moreover, response times were fast with 78% of responses recorded within 48 hours.

For this sample, H1a is supported. The probability of commissioning Scenario One (targeted email list and Web form) is significantly higher than for Scenario Four (postal survey). There is no support for H1b and H1c in that there is no statistically significant difference between the probabilities of commissioning the other two hybrid survey modes and the postal survey mode. While intuitively one might expect marketing functionaries to discriminate between the scenarios differently to small business owners and directors, a between group analysis based on position titles was not conducted, since only six respondents reported being marketing functionaries.

**Table 2: Comparison of Mean Probability Scores Between Scenarios**

<table>
<thead>
<tr>
<th>Would you commission such a research project?</th>
<th>n</th>
<th>Mean Probability Score</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario One</td>
<td>120</td>
<td>3.1</td>
<td>2.32</td>
<td>0.02</td>
</tr>
<tr>
<td>Scenario Four</td>
<td>120</td>
<td>2.6</td>
<td>-0.72</td>
<td>0.47</td>
</tr>
<tr>
<td>Scenario Two</td>
<td>120</td>
<td>2.4</td>
<td>-0.82</td>
<td>0.41</td>
</tr>
<tr>
<td>Scenario Four</td>
<td>120</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Turning to the word count of open textbox questions for each scenario, the mean count for each is as follows where non-responses have been held out: Scenario One – 18; Scenario Two – 16; Scenario Three – 16; and Scenario Four – 16. Moreover, while the word Spam does not appear in the case of Scenario Four (postal), six respondents associate Scenario Two with Spam, five in the case of Scenario One, and only one in the case of Scenario Three. Privacy is only mentioned by one respondent in association with Scenario One. Thus, H2 is supported, albeit weakly, based on the word count in evidence.

There are limitations in this study, the main one relating to the sampling frame. Firstly, few specialist marketing functionaries are in evidence, and this may have led to less discrimination between the scenarios than might be the case where larger firms employing such specialists are polled. The sampling frame is online oriented, as evidenced by the fact that all panel members use e-mail and the Web, and this may have contributed to the level of support for email/Web form surveys shown. A future comparison of Web-using firms and non Web-using firms, and where other survey modes are employed, may bring forth better understanding of small business in this regard.
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