

Beyond The Millennium

By Jerry W. Thomas

As we collectively hurtle toward the beginning of a new millennium, the mind wonders what the future might bring for the human race, for the global economy, and for the marketing research industry. Predicting the future is daunting, but the coming of a new millennium is intoxicating, making the most timid bold and prophetic.

The phosphorus orange glow from the crystal ball on my desk reveals many events over the next few centuries, but let's skip over these things. Never mind about the worldwide pandemics of antibiotic-resistant diseases, or the rising ocean levels just before the onset of a new Ice Age, or the reelection of Bill Gates to his fifth term as President of the United States, or the asteroid impact in the Pacific that wipes out California, or the arrival of the first starship from our new space masters. No, let's focus on the technology that will shape the future and change the world in the next decade or two.

The Internet looms gargantuan in the vaporous images emanating from the glass globe flickering on my desk. How could this be possible? No one told us the Internet was coming. No one told us it was important when it arrived. Few foretold its potential, even as recently as two or three years ago. But, there it is, pervasive, all-encompassing, a giant lattice encircling the globe, entangling the human race in its sticky webbing. How will the Internet play out? What will be the lasting effects? When will the Pied Piper of reality make an appearance and play his haunting melody? Wait! The crystal ball is flickering again and sending messages. Please let me attempt to translate.

Tyrants everywhere will gnash their teeth in despair. The Internet will help propagate freedom and democracy around the globe. All men and women with terminals and Internet access are equal before their god. Who can bow to a dictator, when he has the power to talk to the god "Yahoo" just like the

priests and presidents and generals? World politics will never be the same again. The threat of anarchy will hang heavy over the land.

The golden age of higher education will be coming to a close. The ivy-covered walls, the tweed jackets, the chalkboards, the fund-raising, the coeds, and the football stadiums... Alas! All gone! The U.S. Army will use the abandoned campuses as barracks mostly. Eighty percent of all education will be delivered over the Internet. The market will be dominated by two universities who control 83% of the market. The few remaining schools will be losing money and won't be around much longer. Professional football will be finished, since colleges will no longer be serving their main purpose: training football players for the NFL.

The Internet will speed the adoption of English as the worldwide, universal language of the human species. This will be an evolutionary change, of course, but the appearance of the Internet at the zenith of English usage around the globe will forever imprint the human species as "English-speaking," or at least as "English-writing." Other languages will persist alongside English, but the future is manifest. Everyone on planet Earth will speak with one tongue, one common language. The curse of the "Tower of Babel" will be no more.

The Internet will struggle as an "advertising" venue. The worldwide clutter of websites and webpages will dilute most of the communication value of the Internet. Of what value is a search for "pet food" if the search engine identifies 38,000 pages in response? The Internet will not replace traditional advertising media for most product categories. In fact, the Internet might actually tend to increase demand for traditional media advertising to bring prospects to websites. The greatest value of the Internet as an advertising vehicle will be as the place consumers



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go for detailed information—once interest has been triggered by traditional media.

The Internet will be a boon to business transactions and interactions with consumers and other businesses. Orders, confirmations, status reports, account inquiries, inventory depletions, shipment data, purchase orders, product specifications, flight times, schedules, credit applications, etc. can all be accessed, processed, and disseminated via the Internet—cheaper, faster, and more efficiently than by telephone, mail, or a personal visit. The collective and accumulative effects of these transactional “efficiencies” will be a tremendous boost in productivity that will spur economic growth in developed economies around the globe and simultaneously help dampen inflation.

Finally, the Internet will not grow up to the sky. It will reach a natural limit, a point of stasis. Some Internet businesses will succeed, but many (perhaps most) will fail. The low “cost of entry” means that everyone else will soon be selling what you are selling. A few dollars invested in a spiffy website and you are up and running. Many eager entrants into the pitted Internet arena will wither under the intense pressure of competition. One of the great possibilities is that few people on the web will make any money. This cold, hard reality will create a sharp implosion in e-commerce once the “land rush” enthusiasm wanes. Ah! But enough global prophecy. Let’s get down to what’s really important: the industry that puts bread on our tables—marketing research.

How will the Internet influence the marketing research industry? The most obvious, and most immediate, impact will be the use of the Internet as a new data collection medium. The Internet will increasingly become a worldwide data collection vehicle for many types of marketing research, including business-to-business as well as consumer research. It is already a cost-efficient medium for conducting research, at least in the United States, Canada, Western Europe, and many parts of Asia. Longer term, the Internet will become a worldwide data collection vehicle. Upper-income, better educated households around the globe (these households account for the bulk of worldwide discretionary income and purchasing power) are already Internet users, and the penetration of the Internet into middle- and lower-income households is increasing rapidly.

A majority of significant businesses already subscribe to and use the Internet. This is true around the world. Already, in the United States, over 45% of the adult population have access to the Internet at home or at work. It is currently estimated that upwards of 35 million households in the United States subscribe to some type of Internet service at home. These penetration levels are increasing rapidly in the U.S., as presumably they are in other developed countries as well.

Many manufacturers and other companies are attempting to conduct, or planning to conduct, some type of survey research over the Internet. However, many of these newcomers to Internet surveys are also newcomers to marketing research, or at least to the “nuts and bolts” side of marketing research. While these companies might never attempt to conduct a telephone survey themselves, many are confident they can easily and cheaply conduct research over the Internet. It looks fast, cheap, and simple. Software to conduct simple surveys is widely available. But just because something looks easy doesn’t mean it’s so. Most of these newcomers and neophytes do not have the technical expertise to reliably conduct such surveys, nor the systems and procedures to ensure consistent quality. This naiveté will likely result in some major Internet research failures that could cast a dark shadow over marketing research in general, and over Internet research specifically.

Likewise, many new “research” companies have sprung up to take advantage of the research possibilities afforded by the Internet (it seems as though everyone with a website is conducting surveys). Many of these new “research” firms, however, do not have formally trained, experienced marketing research professionals on staff, nor do they have the systems in place to ensure proper sampling and data collection. “Volunteer” sampling (i.e., allowing respondents to self-select themselves to participate in Internet surveys) is a common practice. Volunteer sampling creates the possibility that some type of selection bias might creep into a survey.

Other potential sources of error in Internet surveys include:

- Lack of rigorous sampling systems and methods
- Nonrandom selection of participants

- Lack of “callback” procedures
- Inadequate understanding of response biases (e.g., some demographic groups are more likely to respond to Internet surveys than other groups)
- Questionnaire programming errors and/or software limitations
- Lack of bandwidth (so that many potential responders cannot complete the survey)
- Incompatibility between the questionnaire programming software and different types and versions of browsers
- Duplicate questionnaires in the final data file—because some respondents pushed the “submit” button too many times
- Extreme data weighting to correct for sampling sins—a threat to data stability.

Other threats to Internet survey representativeness and reliability are numerous, but the above list serves to illustrate the perilous nature of Internet surveys.

The implication for the research industry is that sloppily conducted Internet research might impugn the credibility of properly conducted Internet research, and indeed impugn the credibility of all marketing research. It is important that the research industry make sure that clients understand the risks, the tradeoffs, and the mechanics of Internet research, so that clients can make intelligent decisions about the use of Internet surveys. The research industry must explain the difference between quota sampling and probability sampling (most Internet surveys use quota sampling, by the way). The research industry must insist that Internet surveys be executed the same way as traditional survey research, following the same “tried and true” scientific principles.

Well, it’s late now, and my crystal ball is dimming, and the images are fading away. The Internet will not live up to its hype, nor will it live up to the stock market’s valuation of Internet stocks, but the Internet is here to stay, and it promises to change the world. It represents a paradigm shift as dramatic as the coming of the railroad two centuries ago. Everyone aboard, and hold on to your seats.

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Decision Analyst is a leading international marketing research and analytical consulting firm. The company specializes in advertising testing, strategy research, new product ideation, new product research, and advanced modeling for marketing-decision optimization. The author may be reached at [1-800-262-5974](tel:1-800-262-5974) or [1-817-640-6166](tel:1-817-640-6166).

