

## Do “smart” incentives deliver better survey results?

**M**arketing  
**I**nsights  
from 5MetaCom

When it comes to getting quality results from your marketing surveys, researchers say maybe you should follow the old adage—work smarter, not harder. That means you might consider using smart incentives as part of your next survey. This type of incentive not only promotes more participation in marketing surveys, but it also encourages more thoughtful responses. And that can add more value to your marketing efforts.<sup>1</sup>

In practice, smart incentives often take the form of a chance to win something deemed valuable by most people such as a cruise, laptop computer, large cash award, etc. This differs from participation-only incentives such as small cash incentives (\$1 to \$10) or small premium items (trinkets) for two reasons. First, their actual value is greater; and secondly, the participants’ chances of winning them can be tied to the quality of their responses as judged by the surveyor. This combination is designed to excite survey participants enough to make them not only participate in the survey, but provide high-quality responses.<sup>1</sup> (See sidebar.)

### Right incentive in, quality data out



*Studies say you shouldn't underestimate the power of smart incentives to improve the quality of survey data. Getting more valuable data may make the investment in "big ticket" enticements and rewards worthwhile.*

### Experiment yields insights<sup>1</sup>

To evaluate the effectiveness of smart incentives, a group of marketing experts with The Response Center, a Fort Washington, Pa.-based research firm, divided a group of Web-panel respondents into two random groups. Each group received a question on checking accounts and one about their Internet Service Provider. Specifically, participants were asked to suggest a new feature they would like each service to offer or modify. One group was offered an incentive of being included in a drawing for \$20 gift certificates. The other group was offered the same incentive combined with an additional \$200 prize if their idea “won” (a smart incentive). The respondents were told the winning idea would be selected by another group from the same panel.

The smart-incentive group had fewer non-respondents, was more accurate in following directions and produced more overall responses than the other group. In addition, the researchers found the smart-incentive group offered more substantive answers.

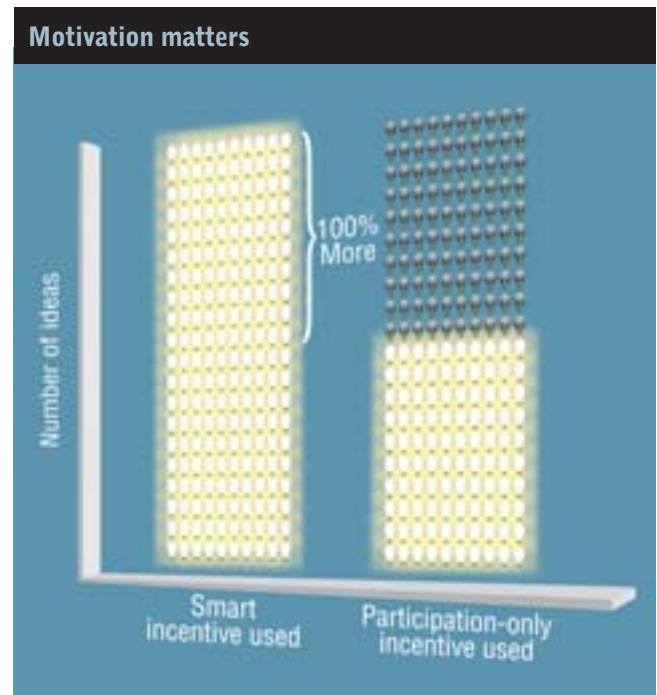
## Executive Summary

- Marketers typically use low-cost, participation-only incentives (trinkets) to increase survey response rates. However, this tactic may not elicit highly valuable responses.
- Smart incentives are incentives that go beyond participation-only incentives. They entice respondents, who provide quality responses, with a large reward.<sup>1</sup> An example might be a chance to win a new car or cruise for the “best” answers.
- Researchers have found that any type of incentive, when combined with open-ended survey questions yields the best responses (see the back).<sup>2</sup>
- A study found that smart incentives were better than participation-only incentives in two ways: They were linked to better compliance with survey directions; and they yielded twice as many valuable ideas from participants.<sup>1</sup>

## Getting the most from respondents

Researchers have found it's not just the type of incentive you offer survey participants that's important—it may also be the type of question itself. According to the National Business Research Institute, asking open-ended questions (e.g., those that ask Why? How?) appear to elicit the most responses when combined with any type of incentive. Specifically, researchers have discovered paid incentives increase the amount of information respondents offer when asked open-ended questions.<sup>2</sup>

As a side-benefit, open-ended questions can offer the surveyor ongoing survey improvement. The qualitative data collected can be used to improve future surveys—a good option when conducting pre-interview surveys isn't practical.



*In a recent study of survey incentives, participants who were offered a smart incentive followed directions better than those who were offered a participation-only incentive. More impressively, the smart-incentive group provided 100% more ideas than the participation-only group.<sup>1</sup>*

## Should you start using smart incentives?

Smart incentives may offer marketers a survey-improvement tool to collect valuable client and prospect data. However, before trying smart incentives, consider the pros and cons of such a move.

### Pros

- Response rates to surveys may go up
- Compliance with survey directions may increase<sup>1</sup>
- Keen insights may be gained from target audiences about existing and proposed new products and services<sup>1</sup>
- Could provide valuable data to improve future surveys

### Cons

- May be impractical for large numbers when combined with open-ended-question format
- Survey costs will likely increase because of the cost of the incentives themselves and the more extensive post-survey tabulation required
- Some survey recipients may not take time necessary to complete open-ended questions
- As with most marketing tools, calculating a precise financial return may be difficult or nearly impossible

<sup>1</sup> Sambandam, R., You May Get More than You Pay For. *Quirk's Marketing Research Review*. Nov. 2005.

<sup>2</sup> National Business Research Institute, Inc., Survey Incentives: Response Rates and Data Quality. *Customer Survey White Papers*, 2006.