

Inquiring Minds Want to Know--Now!

>Abstract

This case describes a multistage communication study undertaken by the research department of Penton Media, a publisher of business trade magazines, to determine the long-term viability of a reader and advertiser service, the *reader service card*, a post-card-size device used by readers to request additional information from a particular advertiser. www.penton.com

>The Scenario

Penton Media, a publisher of such business magazines as *Industry Week*, *Machine Design*, and *Restaurant Hospitality*, was experiencing a decline in use of publication reader service cards. This postcard-sized device features a series of numbers, with one number assigned to each ad appearing in the publication. Readers circle the advertiser's number to request product or service information by mail. Cards are used to track reader inquiries stimulated by advertising within the magazine. "By 1998 there was a growing belief in many quarters that business publication advertising was generating fewer leads than in the past," shares Ken Long, director of Penton Research Services. "Knowing whether or not this is true is complicated by the fact that many companies don't track the source of their leads." This belief, however, could ultimately lead to lower advertising revenues if alternate methods of inquiry stimulation went untracked.

Penton started its research by comparing inquiry response options offered within September issues of 12 Penton magazines, including *Industry Week*. Ads were drawn from two years: 1992 (648 ads) and 1997 (690 ads). The average number of response options per ad was 3.3 in 1992, growing to 4.1 in 1997. More than half of 1997 ads offered toll-free telephone numbers and fax numbers. "Two inquiry methods that are commonplace today, sending e-mail and visiting an advertiser's Internet website, were virtually nonexistent in 1992," noted Long. Not a single 1992 ad invited readers to visit a website and just one ad listed an e-mail address. Website addresses were found in three of five (60.9 percent) 1997 ads, with e-mail addresses provided in 17.7 percent of ads. Today, many websites contain a "contact us" feature that generates an e-mail message of inquiry. In 1997, advertisers were including their postal mailing address only 55.5 percent of the time, compared with 69 percent in 1992 ads.

Penton pretested a reader-targeted mail questionnaire by phone with a small sample drawn from its database of 1.7 million domestic subscribers. A second pretest, by mail, involved 300 subscribers. Penton mailed the finalized

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study to 4,000 managers, executives, engineers, and purchasing agents selected from the U.S. Penton database. The survey sample was constructed using stratified disproportionate random sampling with subscribers considered as belonging to one of 42 cells (seven industry groups by six job titles). A total of 710 completed questionnaires were received, with 676 of the respondents indicating that they were purchase decision makers for their organization. Penton analyzed only the answers of these 676 buyers. Data were analyzed by weighting responses in each cell by their percentage makeup in the overall population. The overall margin of error for the survey was ± 4 percent at the 95 percent level of confidence. In-depth follow-up telephone interviews were conducted with 40 respondents, to gain a deeper understanding of their behavior and attitudes.

Almost every respondent (97.7 percent) had contacted at least one advertiser during the past year. Newer methods of making inquiries—Web visits, fax-on-demand, or e-mail—were used by half (49.1 percent) of the buyers surveyed. But a look ahead shows the true impact of information technology. Within the next five years, 73.7 percent expect to respond to more ads by sending e-mail to the company. In addition, 72.2 percent anticipate visiting an advertiser's website, and 60 percent expect to increase their use of fax-on-demand. Three out of five purchasing decision makers have access to the Internet, and 74.3 percent of those without Internet service expect to have it within the next five years. Seven of 10 (72.4 percent) respondents plan to use the Internet to research potential suppliers, products, or services during the next five years, compared to 33.1 percent using it for that purpose during the past year.

Findings revealed that the need for fast response and the need for information on product availability and delivery are influenced by the following:

- 1 Time pressures created by downsizing of the work force and demands for greater productivity.
- 2 The fast pace of doing business.
3. Cost considerations.

Behavior varied depending on immediacy of purpose. When buyers have an immediate need for a product or service, telephone contact is the inquiry method of choice. Of the respondents, 79.5 percent reported that they had called a toll-free number in the past year for an immediate need, while 66.1 percent had called a local number, and 64.7 percent had called a long-distance number. When the need for a product or service is not immediate, buyers are more likely to use the mail. Among respondents, 71.4 percent reported they had mailed a reader service card in the past year for a nonimmediate need, and 69.3 percent had mailed a business-reply card to an advertiser.

“A new paradigm is emerging for industrial purchasing,” concludes Long. “Buyers are working in real time. They want information more quickly and they want more information.”

> **Discussion**

- 1 Build the management-research question hierarchy.
- 2 What ethical issues are relevant to this study?
- 3 Describe the sampling plan. Analyze its strengths and weaknesses.
- 4 Describe the research design. Analyze its strengths and weaknesses.
- 5 Critique the survey used for the study.
- 6 Prepare the survey for analysis. Set up the code sheet for this study. How will this study be set up to be tabulated by a statistical analysis program like SPSS?
- 7 Assume you are compiling your research report. How would you present the statistical information within this case to the Industry Week decision maker, the manager who must decide whether or not to continue to publish reader service cards?
- 8 Assume you are compiling your research report. What are the limitations of this study?
- 9 Assume you are the decision maker for Industry Week. Given the declining value of the reader response card to subscribers, originally designed as a value-enhancing service to IW readers and advertisers alike, what further research might be suggested by the findings of this study? Or do you have sufficient information to stop the use of reader response cards in Industry Week?

> **Source**

Interview with Ken Long, Director of Penton Research Services, provided the information and the instrument in November 1999.

Cover Letter and Questionnaire for Mail Survey

Could we ask a favor of you?

We are conducting a nationwide survey of executives to help companies better understand and respond to your requests for information.

Your name has been selected as part of a relatively small sample, so

your reply is vital to the accuracy of the study findings. All individual responses will remain completely confidential, with answers combined and presented in statistical form only.

We would be grateful if you could take a few minutes to respond to this survey. A postage-paid envelope is enclosed for your convenience.

We look forward to your reply!

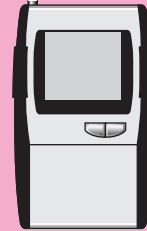
Cordially,

Director of Research

P.S. To ensure a correct entry in the random drawing for the hand-held color TV, please make any necessary changes to your mailing label.

WIN A HAND-HELD COLOR TV!!

We will enter your name in a random drawing for a FREE Casio Portable Color Television when you complete and return this questionnaire to us. This high resolution TV comes with an external power jack and earphones!



PLEASE TURN PAGE . . .

Questionnaire for mail survey:

1. Are you involved in specifying, recommending, purchasing, or approving the purchase of any of the following for your organization? (Check *all* that apply.)

- Construction/renovation work
- Equipment/machinery
- Maintenance/repair/operating supplies
- Production material/components
- Services
- Other
- Not involved in purchasing decisions

2. During the **past year**, which of the following actions have you taken in response to an ad, to obtain information about potential suppliers/products/services for your organization? (Check *all* that apply.) Please check the box in the last column if you have not taken the indicated action in the past year.

	Action Taken During the Past Year		Did Not Do in the Past Year
	For an Immediate Product/Service	For a Nonimmediate Product/Service	
Faxed			
Business reply card to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coupon from ad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publication reader service card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mailed			
Business reply card to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coupon from ad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publication reader service card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sent e-mail to company			
Telephoned company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nontoll-free (long distance) number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toll-free (800 or 888) number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Used advertiser's fax-on-demand service			
Visited the company's Internet website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. What are the **three** most useful types of information an advertiser can provide when responding to your inquiry? (Please check only *three*.)

- Ability to customize products/services
- Availability/delivery
- Complete company catalog
- Short-form (condensed) catalog
- Company experience/expertise
- Company financial strength/stability
- Customer/client list
- Customer service/technical support
- ISO/professional certification
- List of sales/service locations
- Price list
- Product specifications
- Quality/reliability
- Savings in time/money
- Warranty/guarantee offered
- Other (please specify): _____

4. a. Please estimate the change over the **past five years** in your use of each of the following methods of obtaining information, in response to advertising, about potential suppliers/products/services for your organization. Check the box in the fourth column if you have not taken the indicated action in the past five years.

b. Over the **next five years**, do you expect your use of each method of obtaining information to increase, decrease, or stay about the same?

Method Used to Obtain Information	a. Change over the Past Five Years:				b. Expected Change over the Next Five Years:		
	Has Increased	Has Stayed the Same	Has Decreased	Haven't Done in Past 5 Years	Will Increase	Will Stay the Same	Will Decrease
Faxing							
Business reply card to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coupon from ad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publication reader service card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mailing							
Business reply card to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coupon from ad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letter to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publication reader service card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sending e-mail to company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(continued)

Method Used to Obtain Information	a. Change over the Past Five Years:				b. Expected Change over the Next Five Years:		
	Has Increased	Has Stayed the Same	Has Decreased	Haven't Done in Past 5 Years	Will Increase	Will Stay the Same	Will Decrease
Telephoning company							
Local number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nontoll-free (long distance) number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toll-free (800 or 888) number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Using advertiser's fax-on-demand service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Visiting the company's Internet website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. a. Overall, which one method of obtaining information about potential suppliers/products/services for your organization do you most prefer to use? (Please check only *one*.)

Faxing:

- Business reply card to company
- Coupon from ad
- Letter to company
- Publication reader service card

Sending e-mail to company

Telephoning the company:

- Local number
- Nontoll-free (long distance) number
- Toll-free (800 or 888) number

Mailing:

- Business reply card to company
- Coupon from ad
- Letter to company
- Publication reader service card

Using company's fax-on-demand service

Visiting the company's Internet website

Other (*please specify:*) _____

b. Why do you prefer to use this method? _____

6. a. Do you currently have access to the Internet? (Check *all* that apply.)

- Yes, at work
- Yes, at home/away from home
- No current Internet access

b. If you don't currently have Internet access, do you expect to have access in the future?

- Yes, within the next year
- Yes, in 1-5 years
- No, not within next 5 years

(continued)

7. a. If you currently have Internet access, in which of the following ways have you used the Internet in your job during the **past year**?
- b. If you currently have or plan to have Internet access, how do you expect to use the Internet in your job in the **next five years**?

	a. Use of the Internet During the <i>Past Year</i>	b. Expected Use of the Internet During the <i>Next Five Years</i>
Reading industry/professional newsgroup postings (e.g., bulletin boards)	<input type="checkbox"/>	<input type="checkbox"/>
Researching potential suppliers/products/services for your organization	<input type="checkbox"/>	<input type="checkbox"/>
Obtaining technical information	<input type="checkbox"/>	<input type="checkbox"/>
Communicating by e-mail:		
With potential suppliers for your organization	<input type="checkbox"/>	<input type="checkbox"/>
With other buyers about potential suppliers/products/services	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing products or services for your organization	<input type="checkbox"/>	<input type="checkbox"/>
Other (<i>please specify</i>): _____	<input type="checkbox"/>	<input type="checkbox"/>
NO JOB-RELATED USE OF INTERNET	<input type="checkbox"/>	<input type="checkbox"/>

GENERAL INFORMATION

8. Are you male or female? Male Female
9. What is your age? Under 30 30–39 40–49 50 or older
10. How many years have you been with your current organization? _____ years
11. How many years have you been involved in the purchasing process at your organization? _____ years