

Thesis

# Possibility of the Development of Online Marketing Research in the European Media Sector

for achieving the academic grade

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# Word of honour

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# Abstract

The process of media research in the UK and Austria is compared and the potential use of online marketing research discussed.

The UK has highly organized systems for researching various media. Research on the regional press is very costly. Online marketing research could significantly lower these costs. Online marketing research itself has problems with self-recruitment and random sampling and could only be used as a niche research for quantitative studies such as the NRS (National Readership Study), the flagship press study. The normal techniques would be telephone or face-to-face interviews.

In general the only field where online marketing research for the press could be used effectively is in qualitative research, where the content is analysed and the opinion of the target audience is surveyed before the newspaper is published. Internet newspapers seem to be the perfect media for applying online marketing research: Online votes, bulletin boards and data mining lead to exact information for planning and developing the contents.

Television research is usually applied with online meters capable of monitoring the watched channels. In Austria with the introduction of digital TV, part of the panel households were equipped with special instruments to recognise the digital channels. Feedback from the TV opinion panel can be processed with online marketing techniques. As in press research, the appreciation of or impression made by a certain program can be measured with quantitative techniques.

Radio in the UK is measured with diaries in the households, while the Austrians use telephone interviews. In quantitative radio research no changes are likely in the near future. For measuring Internet access rates, Fessel-GfK uses telephone interviews. In the Austrian Internet Radar, the 120 most important websites are listed. This research is based on Computer-Assisted Web Interviews (CAWI). In market research on products and services as well as on the new media, online marketing research will play an increasingly important role.

# Zusammenfassung

Die Medienforschung in Großbritannien und in Österreich wird verglichen um die Einsatzmöglichkeiten von der Online-Marktforschung aufzuzeigen.

Die Medienforschung in Großbritannien weist Schwächen in der Untersuchung von Regionalzeitungen auf. Die Online-Marktforschung könnte die Datenqualität nicht verbessern, aber sie würde die Kosten erheblich senken. Hauptprobleme der Onlinemarktforschung sind, dass die Internetbenutzer zu einem nicht die Gesamte Bevölkerung repräsentieren, zum anderen kann keine Zufallsstichprobe gezogen werden, wie bei Telefon-Interviews. Deshalb wird in der britischen Flaggschiffstudie der Pressenreichweite die (National Readership Study) nur Telefon und direkte Interviews eingesetzt.

Viel eher kann die Onlinemarktforschung in der qualitativen Presseforschung eingesetzt werden, wo der Inhalt und Meinungen der Leser untersucht werden. Online Ausgaben von Zeitungen scheinen das perfekte Medium für die Onlinemarktforschung zu sein: Durch Foren, Votes und Data mining lassen sich exakte Daten gewinnen. Die helfen zu einem den Inhalt leserfreundlicher zu machen, zum anderen der Werbeindustrie in der Medienplanung.

Fernsehforschung erfolgt durch Settopboxen, die aufzeichnen welche Programme geschaut werden. In Österreich wurden durch die Einführung von digitalem Fernsehen die Untersuchungshaushälter mit speziellen Settopboxen ausgestattet, um die digitalen Kanäle zu messen. Online-Marktforschung kann verstärkt in der Programmbewertung eingesetzt werden. Wie in Printmedien können auch Fernsehprogramme durch qualitative Untersuchungen bewertet werden.

Während die Radioreichweite in Großbritannien mittels Tagebücher gemessen wird verwendet man in Österreich Telefon-Interviews. Für die Messung des Internetzugangs benutzt die Fessel-GfK ebenfalls Telefon-Interviews. Das Internet Radar listet die 120 wichtigsten Österreichischen Websites auf, was durch Online-Interviews erfolgt. Sowohl in der Marktforschung als auch in der Werbeforschung wird Online-Marktforschung eine zunehmend wichtigere Rolle spielen.

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The trouble with our times is  
that the future is not what it used to be.

Paul Valery (1871 - 1945)

# 1 Introduction

The thesis should give the reader the perspective of where online marketing research can be used in the media.

Online marketing research seems to be a perfect tool that combines economic advantages of speed and cost efficiency to deliver data. The Internet provides more rapid access to business intelligence and thus allows for better and faster decision making. The Internet improves a firm's ability to respond quickly to customer needs and market shifts. But online marketing research also reveals the concern of society about data protection and its implications.

To analyze the trends different sources have been examined: books dealing with marketing research, journals, journal databases and the Internet.

The Internet has revolutionized communication. Although in the year 2000 there many Internet companies crashed, the Internet remains a tool that accelerates work and makes it more effective. The field of media research is only one of many where the Internet will bring many changes in the near future, because it is an interactive communication channel, which is used by more and more people. These developments are interesting to observe, because media research is in many significant fields, such as science, economic development and entertainment.

The aims of online marketing research are delivering information for the media owner, who depends on the readership, and for the advertising companies, who need the data for an effective media planning.

Market dynamics such as high competition and high effectiveness also influence the media sector. Business decisions are based on facts. So the media industry needs precise figures and other data about the audience in order to compete successfully in the market. Online marketing research used in the right way can bring advantages of cost-effectiveness compared to other methods. Now it can only be used in certain media researches.

The basic research question that should be answered by the treatise is: What is the role of online marketing research in the media sector, and what are the possibilities for development?

The main body of the thesis is divided into five parts. The following table summarizes these. At the beginning an overview of the general marketing research techniques is given and the classical methods are listed and categorized. Afterwards online marketing research is analysed with its advantages, disadvantages and the status quo of its use. The next part focuses on the practical perspective of marketing research in the media and shows how the media research is done in Europe with the focus on Britain and Austria. In addition to research techniques, concepts such as data mining and Internet security are discussed. In the last part developments in online marketing research are specified, including where this research can be applied.

<b>Overview of online marketing research</b>	Defining online marketing research and the European media sector, aims and importance of online marketing research in the media sector, ethical and legal view.
<b>Common methods of marketing research and their weaknesses</b>	Categorization of research techniques and analyzes of their strengths and weaknesses under the aspect of cost, time, coverage, usage and response rate.
<b>Forms of online marketing research</b>	Methods of conducting an online survey with their strengths and weaknesses.
<b>How marketing research works in the media and new directions</b>	Processes of measuring the media in Austria and UK: newspapers, Internet, radio, TV, advertising. New perspectives. Main section of thesis.
<b>Perspectives for the future of online marketing research</b>	Summary and ways research companies deal with the new methods.

## **2 Overview of online marketing research**

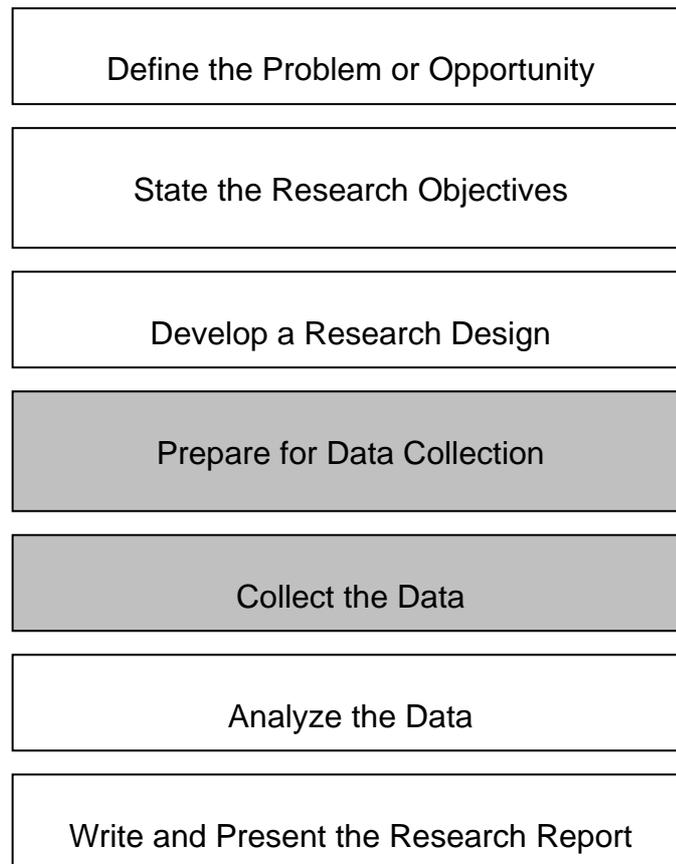
First the title of the thesis should be clarified. The terms online marketing research and European media sector are defined below. The expression “new developments” relates to new technologies and methods and is clear. The terms “online marketing research” and “media sector” however need to be examined more exactly.

### ***2.1 Defining online marketing research***

Online marketing research will change the entire research business. The technological use of the Internet influences all areas of the research process, from the collection of the data, to the presentation of the data on a web site, and the transmission via email. There are many forms of marketing research, which can be divided into quality and quantity research. The Internet influences all phases, making calculation processes, preparation and dissemination faster. It must be considered that in some cases the technology of the Internet is used to optimize existing processes and make them faster. In other cases completely new ways of research are done with the help of the Internet, for example with online voting, data mining and online panels. It needs to be clarified, which processes are marketing research with the aid of the Internet and which constitute actual online marketing research. It is online marketing research when one of the essential processing parts of the research is dealt with by the Internet – either the sampling process or the data collection.

The following graphics show the step-by-step procedure for conducting market research.

**Table 1: The Marketing Research Process**



**Source: Shao, Alan T., *Marketing Research (US: South-Western 2002)*, p. 37**

Minor modifications in the marketing research, for example in a telephone research project where computers with Internet connections are used to guide the interviewer through the questions, are not necessarily online marketing research, because the data collection is handled primarily over the phone. It could also be that the data of the telephone research is assembled together over the Internet, calculated and finally presented on a website. As mentioned before, the online calculation and presentation are not sufficient for the research to be considered as online marketing research.

The Internet is often used as a synonym for the word online and it is part of almost every step of modern marketing research.

Here however only the methods of online marketing research are considered which use Internet technologies for the sampling and data collection processes. In table 1 the grey boxes indicate the sampling and data collection processes.

## ***2.2 Defining research in the media sector***

Another word that has been variously defined is “media”. As with the words online and Internet, the media can include a vast number of sectors: books, advertising, Internet, TV, radio, mobile phone, etc. Internet and mobile phones are usually classified as new media. Due to the convergence of the technologies, new forms of media communication have been invented: for example newspapers and Internet have grown together as online newspapers which are viewed with a web browser. Digital TV and digital radio are also based on traditional media but are now quite sophisticated and can even be transmitted over the Internet. The objective of media research is to find out about the characteristics of one particular media. Internet research can be done for instance on the daily consumption of TV. Many methods for doing marketing research are based on the use of a media for collecting the information because media can reach many people.

As mentioned above, in many cases the media itself is used as a tool for the survey. For instance, a face-to-face interview about the impression made by an ad does not use any media but is still part of media research.

So for the term media research the object of the research – a characteristic of the media – is important.

The media is usually classified into either mass or niche media. Newspapers, magazines, television, and radio are considered as mass media because they deliver messages to a widespread and anonymous audience. Advertising media such as cable television and direct mail are often viewed as niche media.<sup>1</sup>

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<sup>1</sup> See Mc Donough, John, *The Advertising Age – Encyclopedia of Advertising* (2003), p. 1017, 1018

The Internet is different from conventional media in several respects. First, it can serve not only as a communications channel but also a transaction and distribution channel. Second, the Internet is by nature interactive. Third, it has a capacity of multimedia content.<sup>2</sup>

### 2.3 The European media sector

Another focus of the treatise is the European media sector. The US has the world's strongest market. Generally its marketing research is said to be more innovative and responsive. However the following Table shows that the sum of investments in marketing research in European countries is larger.

**Table 2: Geographic Expenditures of Marketing Research**

Country	Expenditure	Europe vs. USA
UK	10%	43%
D	10%	
F	7%	
Rest of Europe	16%	
USA	37%	37%
Canada	2%	
Japan	8%	
Asia-Pac	5%	
Lat Am	4%	
MEA	1%	

**Esomar/Honomichi/Marketing News/Kantar**

**McDaniel, Carl, *Marketing Research – The impact of the Internet* (2002), p. 46**

On one hand the focus on Europe limits the perspective by excluding the US. On the other hand Europe has the highest expenditure on marketing research in the world, even higher than in the US. The reason for this is the more heterogenic economy and society of the EU.

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<sup>2</sup> See Mc Donough, John, *The Advertising Age – Encyclopedia of Advertising* (2003), p. 1017, 1018

While in the southern Mediterranean countries, TV sets the tone for media usage, with viewing figures reaching an initial peak around lunchtime, in Central and Northern Europe, the print media dominate. The specific preferences and trends of the various target groups also vary considerably from country to country. Even within language regions there are severe deviations in media consumption. A single man in the city has completely different requirements from his rural counterpart – with corresponding different expectations of the media.<sup>3</sup>

Detailed, correct analyses of media usage therefore depend to a great extent on the specific findings and the experience of the market researcher.

For this thesis two countries' media research is examined to get a general idea of the European media research. Austria and the UK have been chosen to representing the European media research. The selection is based on geographic and cultural views. Austria is a central European country with a highly developed economy and is making strategic expansions on media research to East European countries. For example the Austrian Fessel-GfK has network in East European countries.<sup>4</sup>

Until the beginnings of the 1990s Austria was considered as one of the last strongholds of public television monopolies system. Today the press market is confronted with a more open television market. Private Austrian and foreign broadcasters (with their "Austrian Windows" for advertisements) are additional competitors on both the consumer's and advertising market. Furthermore, the Internet is spreading quickly. Considering the online ratio Austria is amongst the Top-Ten in Europe.<sup>5</sup>

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<sup>3</sup> See GfK Medial, "Media in focus - in touch with European audiences" (2005), p. 6  
[http://www.gfk.at/de/download/BROCH/medien\\_engl.pdf](http://www.gfk.at/de/download/BROCH/medien_engl.pdf)

<sup>4</sup> See GfK Medial, "Growth from Knowledge" (2005)  
[http://www.gfk.at/de/download/BROCH/FESSEL-GfK\\_Unternehmensbroschure.pdf](http://www.gfk.at/de/download/BROCH/FESSEL-GfK_Unternehmensbroschure.pdf)

<sup>5</sup> See Schneider/Schütz, *European Press Markets* (2004) chapter Melischek, Gabriele; Seethaler, Josef; Skodacsek, Katja, "The Austrian Newspaper Market"

The UK has a strong link to the US and can adapt new research technologies from the US very fast, as both countries have a similar culture, for example the language, and good economic relations with each other.

Each of the two countries and their perspectives should together give a good picture of the online marketing research situation in Europe.

## **2.4 New developments**

The full title is “Possibility of the Development of Online Marketing Research in the European Media Sector”. Emphasis has been placed on new ways of determining media characteristics.

In the near future a lot of changes will occur in the media sectors, which also influence the research process. One issue is that before 2010 digital TV should be introduced throughout the EU. Apart from digital television the main technical innovations which could contribute favourably to the development of the audiovisual sector are: Flat panel displays; High Definition TV (HDTV); Interactive television.

The Internet, has dramatically changed the way people communicate and has opened up new access to audiovisual content. However, the Web is still used by substantially fewer people than the TV viewing public and with different motivations. Industry is also exploring use of the internet protocol for digital broadcasting.<sup>6</sup>

With digital broadcasting more channels are available and interactivity is possible. So measurement of television consumption must be adapted accordingly to the new developments.

One of the latest exciting technologies is IP telephoning which makes possible to make phone calls over the Internet. The cost of the Internet connection is much

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<sup>6</sup> EU Commission, “The Future of European Regulatory Audiovisual Policy” (Brussels, 15.12.2003), p. 5, [http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003\\_0784en01.pdf](http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003_0784en01.pdf)

lower than the cost of a conventional phone call. Thus, international surveys can be made at a fraction of the cost of a conventional survey.

## **2.5 Aims of online marketing research in the media sector**

In general, research in the media attempts to eliminate waste in advertising by objectively analysing the media available for promoting products and services. Advertising expenditure is distributed over media which are most likely to result in achieving the objectives of the advertising campaign.<sup>7</sup>

Online marketing research in the media sector extracts information about the media. Media companies live from advertising, and media research delivers the data for advertising. For the media itself, for example a newspaper, the profile of the readership is important so that the contents of the articles as well as the advertisements can be tailored to fit the consumers.

The optimization of newspaper or TV channel affects their independence. Only media that are economically healthy can survive. The media goals are of course to be as independent as possible and deliver good quality information.<sup>8</sup>

Marketing research helps make possible the optimisation of these various factors. Online marketing research is a very cost-effective and rapid way to gain data about certain media types and programmes.

## **2.6 Why online marketing research is important**

The aims of online marketing research are delivering information for the media owner, who depends on the readership, and for the advertising companies, who need the data for an effective media planning.

Market dynamics such as high competition and high effectiveness also influence the media sector. Business decisions are based on facts. So the media industry

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<sup>7</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 294

<sup>8</sup> See Kiefer, Marie, *Medienökonomik* (2001), p.19

needs precise figures and other data about the audience in order to compete successfully in the market.

Online marketing research seems to be a perfect tool that combines economic advantages of speed and cost efficiency to deliver data. The Internet provides more rapid access to business intelligence and thus allows for better and faster decision making. The Internet improves a firm's ability to respond quickly to customer needs and market shifts.

The Internet surveys have several specific advantages:

- Rapid development, real-time reporting
- Dramatically reduced costs
- Personalization
- Higher response rates <sup>9</sup>

Predictions say that online marketing research will grow in the coming years. The media consumption in Europe is very high. According to a recent survey in Germany, in larger cities, those aged 14+ spend over five hours a day on average using the various media. <sup>10</sup>

Anonymity and the ability to get cooperation from hard-to-research groups such as business experts or the gay community are positive attributes that have helped elevate the Internet as a vehicle for marketing research.

Marketing research is currently a \$6-7 billion dollar industry in the US. In general, online marketing research has been able to raise the bar on cooperation rates, in part due to the nature of the Internet and in part due to the fallen credibility of telephone-based research. Response rates for telephone surveys have dropped

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<sup>9</sup> See McDaniel, Carl, *Marketing research* (2002), p. 15

<sup>10</sup> See IP Deutschland/GfK Fernsehforschung, "Medien im Tagesablauf 2003" (2005)

from 40% a decade ago to 14% today, while online research can achieve response rates of over 60%.<sup>11</sup>

Table 3 shows that the majority of advertising agencies and publishing/broadcasting companies frequently make use of marketing research departments. Consequently there is a high demand for media research in the media sector itself, where advertising agencies and publishing/broadcasting agencies do so much of their business.

**Table 3: Types of organizations using marketing research**

<b>Organization Type</b>	<b>Companies with Formal Department (%)</b>
Retailing/Wholesaling	91
Manufacturers of Computer Products	89
Publishing and Broadcasting	86
Nonprofit	85
Advertising Agencies	79
Utilities	79
Financial Services	76
Manufacturers of Industrial Products	66
Health Services	43

Source: Shao, Alan T., *Marketing Research: An Aid to Decision Making* (2002), p. 16

## ***2.7 Ethical and legal view of online marketing research***

Concerns about restrictive government policies and regulations for marketing research industry extend beyond US borders. The European Commission issues directives that could come to prevail throughout its member countries. One such directive, aimed at data privacy, states that respondents cannot be asked questions about “sensitive subjects” without their written permission.

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<sup>11</sup> See Rubin, Jon, “Online Marketing Research Comes of Age.” (Brandweek; 10/30/2000, Vol. 41 Issue 42), p. 26

In Ireland, the marketing research community is banding together to try to thwart a government ruling that political poll results cannot be published during a specified time period immediately before an election. The polls can be conducted, but the findings cannot be made known to the general public. Some other governments are considering the same restrictions.

In the UK, the Data Protection Act is designed primarily to prevent abuse of household financial records and information stored by database marketers. The act also says a firm cannot gather data on individuals, coupled with their address, without written consent, and that individuals have the right to see their personal data.

In late 2003, US Congress passed legislation allowing the Federal Trade Commission to restrict telemarketing calls to consumers based on its "Do Not Call" registry.<sup>12</sup>

### **2.7.1 Respondent's rights**

Respondents in a marketing research project typically give their time and opinions and receive little or nothing in return. These persons, however, do have certain rights that should be upheld by all marketing researchers.

#### **The right to choose**

Everyone has the right to determine whether or not to participate in a marketing research project. Some people, such as poorly educated individuals or children may not fully appreciate this privilege. A person who would like to terminate an interview or experiment may give short, incomplete answers or even false data.

The researcher does not have the right to use the respondent's name or address in a promotion piece, saying that "Ms. Jones prefers new channel x to channel y."

#### **The right to safety**

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<sup>12</sup> See Witt, Louise, "Inside Intent" (American Demographics; March 2004, Vol. 26 Issue 2), p. 34

Research participants have the right to safety from physical or psychological harm. While it is unusual for a respondent to be exposed to physical harm, it is much more common for a respondent to be placed in a psychologically damaging situation. Individuals might experience stress and get upset when an interviewer presses them to participate in a study.

### **The right to be informed**

Research participants have the right to be informed of all aspects of a research task. This includes knowing what is involved, how long it will take, and what will be done with the data.

### **The right to privacy**

All consumers have the right to privacy. Consumer privacy can be defined in terms of two dimensions of control. The first dimension includes control of unwanted telephone, mail, or personal intrusion, and the second concerns control of information about the consumer. The very nature of marketing research business requires interviewers to invade an individual's privacy.<sup>13</sup>

## **2.7.2 The battle over privacy**

The growth of databases both on and off the Internet is causing increasing concern about privacy issues. Recently, the US Congress restricted states' sales of databases filled with personal information from driver's licenses. The Federal Trade Commission has investigated whether Yahoo is complying with consumer-protection regulations in its use of user's information.

What makes all this troubling to privacy advocates is the growing ability of technology to combine information, such as the products consumers buy from a variety of different merchants. It is not the routine use of this information for marketing purposes that people find troubling, it is the way someone with an agenda might put the pieces together.

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<sup>13</sup> McDaniel Carl, *Marketing Research: The Impact of the Internet* (2002), p. 668, 669

At some point, the federal government will probably pass privacy legislation for the Internet, which most likely will be administered by the Federal Trade Commission. The legislation is expected to have four key points:

- Privacy policies, easy to find and written in easy-to-understand English, will be mandatory on web sites.
- The web user will have a clear opportunity to “opt in” or “opt out” of data collection at each site.
- Consumers will be given the opportunity to look at and correct sensitive information.

There will be penalties for non-compliance.<sup>14</sup>

### **2.7.3 Data protection in the EU**

The EU directive 95/46/CE concerns the data protection of the citizens. The six most important points of the directive are listed below.

- Personal data may be processed only if the data subject has given his/her consent for processing.
- It is forbidden to process personal data about racial or ethnic origin, political opinions, religious or philosophical beliefs, trade-union membership, health or sex life. This provision comes with certain qualifications concerning, for example, cases where processing is necessary to protect the vital interests of the data subject or for the purposes of preventive medicine and medical diagnosis.
- The controller must provide the data subject from whom data are collected with certain information relating to himself/herself (the identity of the controller, the purposes of the processing, recipients of the data, etc.)

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<sup>14</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 100

- Every data subject should have the right to erase or block data, which does not comply with the directive.
- The controller must notify the national supervisory authority before carrying out any processing operation.
- Every person shall have the right to a judicial remedy for any breach of the rights guaranteed him by the national law applicable to the processing in question. In addition, any person who has suffered damage as a result of the unlawful processing of their personal data is entitled to receive compensation for the damage suffered.<sup>15</sup>

The EU law is very strict concerning the protection of citizens' rights against data collection and data processing. In reality it is very difficult to prosecute every point of the data protection directive, because it is impossible to control all research. Especially with the Internet, research can be conducted very fast for high number of respondents. In general it is expected, that the citizen will complain or sue companies that are not doing the research according to the directive. For example a study about the sex life in EU countries is taken. Generally this study is forbidden if the main subject is not for medical diagnosis, but there will be no consequences if nobody complains.

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<sup>15</sup> EU, "Protection of personal data", (04.04.2005)

<http://europa.eu.int/scadplus/leg/en/lvb/l14012.htm>data protection.htm

### **3 Common methods of marketing research and their weaknesses**

As a basis for understand new methods of research, the current common methods should be analysed. Online marketing research cannot be used in all cases. For many projects common methods have more advantages than online marketing research. It is important to develop new research techniques which combine the advantages of each individual research method. This chapter gives an overview about existing techniques of marketing research, their categorisation in the view of social science and their fields of usage. The factors that determine the selection of a particular survey method are also described.

#### ***3.1 Extraction of data in marketing research***

Marketing research classifies two types of data: primary and secondary data. Secondary data already exist in the company and can be found for example in a company database, where information about their customers has been collected. Primary data is that which is collected by investigating a new topic.

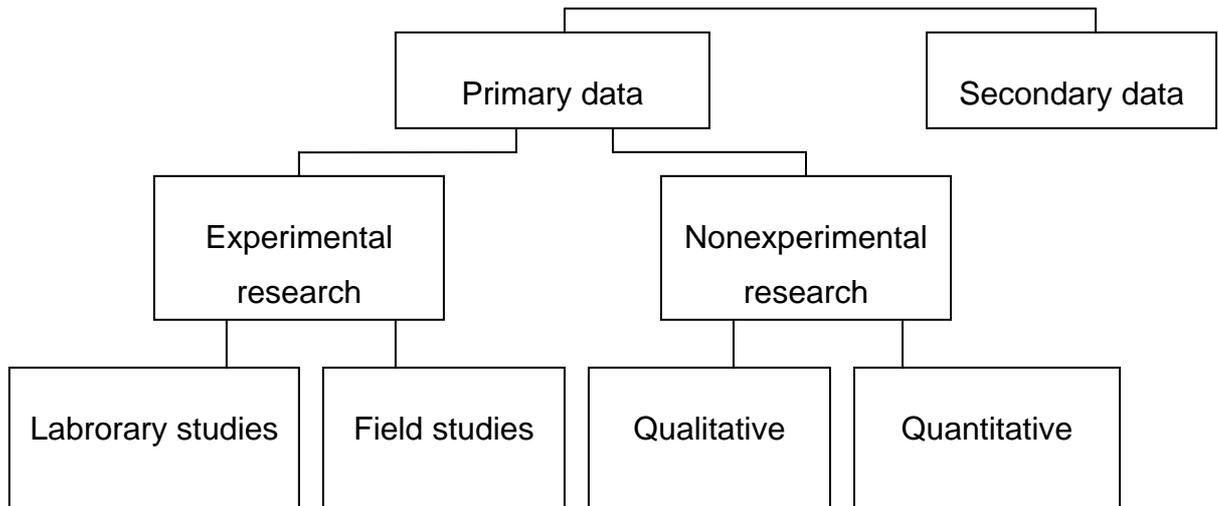
Primary research can be classified into two categories: experimental and nonexperimental research. Experimental research is conducted when the researcher controls and manipulates elements of the research environment to measure the impact of each variable. For example, a group of test subjects is shown several television commercials and afterwards the participants are queried about their intentions to purchase the product advertised. Experimental research is further divided into two groups: laboratory studies and field studies.

Laboratory studies are performed in a highly controlled environment. Several variables are controlled and one variable of interest is manipulated to determine the behaviour it generates in a particular situation.

Field studies are performed in the “real world”, usually by test marketing a product.

The second category of primary research is nonexperimental research, which is divided into two categories: qualitative and quantitative research.<sup>16</sup>

**Figure 1: Types of data in the science of marketing research and their extraction**



### **3.2 Qualitative vs. quantitative research**

Quantitative research uses mathematical measures and statistical techniques to determine relationships and differences among large samples of target populations. Highly structured, quantitative research involves designing questions with a choice of specific responses so that the responses can be measured and analyzed mathematically.<sup>17</sup>

Qualitative research is less formally structured than quantitative research, and it uses smaller samples. The data gathered using qualitative techniques is subjective and nonquantifiable. Because of the small sample sizes and the subjective nature of the responses, qualitative data is not necessarily representative of the target population. Quantitative and qualitative research often complements each other.

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<sup>16</sup> See Shao, Alan T., *Marketing research: An Aid to Decision Making* (2002), p. 151

<sup>17</sup> See McDaniel, Carl, *Marketing research: The Impact of the Internet* (2002), p. 15

**Table 4: Comparison of qualitative and quantitative research on several levels**

	<b>Qualitative Research</b>	<b>Quantitative Research</b>
Types of questions	Probing	Limited probing
Sample size	Small	Large
Amount of information from each respondent	Substantial	Varies
Requirements for administration	Interviewer with special skills	Interviewer with fewer special skills
Type of analysis	Subjective, interpretive	Statistical, summation
Hardware	Tape recorders, projection devices, video recorders, pictures, discussion guides	Questionnaires, computers, printouts
Researcher training	Psychology, sociology, social psychology, consumer behaviour, marketing, marketing research	Statistics, decision models, decision support systems, computer programming, marketing, marketing research
Type of research	Exploratory	Descriptive or causal

Source: McDaniel, Carl, *Marketing Research – The impact of the Internet* (2002), p. 123

### **3.3 Qualitative research techniques**

Qualitative research employs a set of research techniques, used in marketing and the social sciences, in which data are obtained from a relatively small group of respondents and the information itself is not analyzed with statistical techniques.<sup>18</sup> There are many forms of qualitative research used in marketing but here only two of the most common forms will be examined: In-depth interviews and focus groups.

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<sup>18</sup> [http://en.wikipedia.org/wiki/Qualitative\\_marketing\\_research](http://en.wikipedia.org/wiki/Qualitative_marketing_research)

### **3.3.1 In-depth interviews**

An in-depth or long interview involves open discussion between interviewer and respondent. On the basis of the initial response, the interviewer probes for elaboration and meaning. Answers to these questions lead to subsequent interviewer questions. The respondent is often asked to answer open-ended, semi-structured questions which explore the depth and breadth of the particular topic.

### **3.3.2 Focus groups**

A focus group is a research technique used to collect data through group interaction on a topic determined by the researcher. The goal with a focus group is to learn the opinions and values of those involved with products or services from diverse points of view. Many sources argue that a focus should have 6 to 12 people as respondents. Focus group research is cheaper and faster to complete than individual depth interviews. Focus group data collection outcomes depend on a skilled moderator to maintain the free flow of ideas and keep the discussion structured.<sup>19</sup>

Focus groups and depth interviews are the two most important forms of quantitative survey for the media sectors, as they are also used as common methods in market research.

There are of course many other forms of qualitative research technique, which can be used in very specific situations. One is the Humanistic Perspective, where an interviewer spends considerable time with respondents and makes detailed recordings using audio and visual means or diaries. At the conclusion of data collection, several researchers work together to evaluate the data.<sup>20</sup>

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<sup>19</sup> See Chakrapani, Chuck, *Marketing Research, State of the Art Perspectives* (2000), p.78

<sup>20</sup> See Chakrapani, Chuck, *Marketing Research, State of the Art Perspectives* (2000), p.79

### **3.3.3 The role of qualitative research for the media**

Qualitative research methods are used primarily as a prelude to quantitative research. They are used to define a problem, generate hypotheses, identify determinants, and develop quantitative research designs. They are inexpensive and fast. Because of the low number of respondents involved, this exploratory research cannot be used to generalize for the entire population. The results are however, very valuable for the initial investigation of an issue and are used by almost all researchers. They can be better than quantitative research at probing below the surface for affective drives and subconscious motivations.<sup>21</sup>

There are some people who, because of the nature of their job, would never take part in group discussions. Very senior civil servants, managing directors of large companies, senior executives, politicians and other high-ranking people may be of interest in audience research. Specialists in various fields relevant to the research may also be dealt with more effectively using depth interviews.

In-depth interviews are often used when the subject being researched is sensitive or emotive or otherwise not suitable for discussion in a group. When the subject is very complex, it may also be better dealt with in an in-depth interview.

Qualitative research is used quite extensively in audience research in the process of developing new programme ideas and services or of modifying or transforming existing ones, and in the advertising research.<sup>22</sup>

### **3.4 Quantitative research techniques**

Quantitative marketing research utilizes statistical techniques. It typically involves the construction of questionnaires and scales. Large numbers of people are contacted, usually in a survey. Marketers use the information so obtained to craft strategies and develop marketing plans.

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<sup>21</sup> [http://en.wikipedia.org/wiki/Qualitative\\_marketing\\_research](http://en.wikipedia.org/wiki/Qualitative_marketing_research)

<sup>22</sup> See Mytton, Graham, *Handbook on Radio and Television Radio Research* (1992), p. 48

Each quantitative research method is analyzed in cost, time, coverage, usage and response rate.

### **3.4.1 Face-to-face interviews**

Such interviews are often conducted in a respondent's home but are rarely used today. They are relatively expensive and the response rate is only 40 to 50%.<sup>23</sup> They are appropriate when graphic representations, smells, or demonstrations are involved. It can also be used for long surveys or for (Third World) locations where telephone or mail is nonexistent or unreliable or where the respondents are often illiterate.<sup>24</sup>

### **3.4.2 Mall-intercept interviews**

Such interviews with consumers are conducted in a shopping mall or other high-traffic location. Interviews may be done in a public area of the mall, or respondents may be taken to a private test area. The response rate lies at about 50%. Mall-intercept interviews are socially acceptable, because people feel that a mall is a more appropriate place to do research than their home. Another advantage is that the interviews can be done quickly. The mall interviews possess a potential for interviewer bias as well as manipulation if a respondent is interviewed multiple times.<sup>25</sup>

### **3.4.3 Central-location telephone interviews**

In central-location telephone interviews, also referred as computer-automated telephone interviews (CATI), the interviews are conducted from a telephone facility set up for that purpose. These facilities typically have equipment that permits supervisors to unobtrusively monitor the interviewing while it is taking place. Many of these facilities do national sampling from a single location. An increasing number have computer-assisted interviewing capabilities. At these locations, the

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<sup>23</sup> See [http://en.wikipedia.org/wiki/Quantitative\\_marketing\\_research](http://en.wikipedia.org/wiki/Quantitative_marketing_research)

<sup>24</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 183

<sup>25</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 183

interviewer sits in front of a computer terminal attached to a mainframe or a personal computer. The questionnaire is programmed into the computer, and the interviewer uses the keyboard to directly enter responses.<sup>26</sup>

The response rate is typically 25% - 50%, depending on audience and topic. CATI are cost efficient and good for large national or international samplings. It cannot however be used for non-audio information, such as graphics, demonstrations, tastes or smells.<sup>27</sup>

#### **3.4.4 Completely automated telephone surveys (CATS)**

CATS have all the advantages and disadvantages of telephone interviews, but the respondent answers questions read by a recorded voice. Respondents may dial local or toll-free numbers and respond to voice prompts (multiple-choice questions) by pressing the buttons on their touch-tone telephones. This approach has been successfully used with physicians and other difficult-to-reach populations. Respondents can call when it is convenient for them, 24 hours a day, 365 days a year. On the other side, people might not find sympathy for a recorded interview partner.

#### **3.4.5 Computer assisted personal interviews (CAPI)**

CAPI, like CATI and CATS, is an electronic form of data collection. CAPI is an automated face-to-face interview. CAPI is less effective for surveys in which a high proportion of the questions are open ended. The set-up costs are also relatively high, so CAPI is used in large-scale surveys.<sup>28</sup>

#### **3.4.6 Self-administered questionnaires**

Self-administered questionnaires are most frequently employed at high-traffic locations such as shopping malls or in captive audience situations such as

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<sup>26</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 183

<sup>27</sup> See [http://en.wikipedia.org/wiki/Quantitative\\_marketing\\_research](http://en.wikipedia.org/wiki/Quantitative_marketing_research)

<sup>28</sup> See Baker, Micheal, *Encyclopedia of Marketing* (1999), p. 262

classrooms and airplanes. Respondents are given general information on how to fill out the questionnaire and expected to fill it out on their own. Kiosk-based point-of-service touch screens provide a way to capture information from individuals in stores, health clinics, and other shopping or service environments. Sometimes software-driven questionnaires on diskettes are sent to individuals who have personal computers.

### **3.4.7 Ad hoc (one-shot) mail surveys**

Questionnaires are mailed to a sample of consumers or industrial users, without prior contact by the researcher. Instructions are included; respondents are asked to fill out the questionnaire and return it via mail. Sometimes a gift or monetary incentive is provided. Software-driven questionnaires on diskettes are sometimes sent to individuals who have personal computers.

The response rate is 5 to 30% and cost is very low, since bulk postage is cheap in most countries. The delays of response can be very long, often several months, before the surveys are returned and the statistical analysis can begin. Mail interviews are not suitable for very complex issues and no interviewer bias is introduced.<sup>29</sup>

### **3.4.8 Mail panels**

Questionnaires are mailed to sample individuals who have been precontacted. The panel concept has been explained to the participants, and they have agreed to participate for some period of time, in exchange for gratuities. Mail panels typically generate much higher response rates than do ad hoc mail surveys.<sup>30</sup>

The following table outlines the strengths and weaknesses of the most important quantitative survey methods. As in media research the quality on data counts, the methods' strength and weaknesses are compared according to this criteria. The

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<sup>29</sup> [http://en.wikipedia.org/wiki/Survey\\_research](http://en.wikipedia.org/wiki/Survey_research)

<sup>30</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 183

last item in the table, online survey, is the main aspect of the thesis. The next chapter takes a deeper look into online marketing research.

**Table 5: Strengths and weaknesses of data collection methods in terms of quality of data**

<b>Strengths</b>	<b>Weaknesses</b>
<b>Face-to-face interview</b>	
Interviewer can show, explain, and probe.	Respondent may be in a hurry, not in proper frame of mind to answer survey questions; there is more chance of interviewer bias.
<b>Central-location telephone interview</b>	
Supervisor can monitor the interviewing process easily; excellent samples can be obtained; interviewer can explain and probe.	Respondent may be distracted by things going on at their location; problems arise in long interviews and interviews with many open-ended questions.
<b>Self-administered questionnaire</b>	
Interviewer and associated biases are eliminated; respondent can complete the questionnaire when convenient; respondent can look up information and work at own pace.	There is no interviewer to show, explain, or probe; sample may be poor because of nonresponse; who actually completes the questionnaire cannot be controlled.
<b>Mail survey</b>	
Interviewer and associated biases are eliminated; respondent can complete the questionnaire when convenient; respondent can look up information and work at own pace.	There is no interviewer to show, explain, or probe; sample may be poor because of nonresponse; who actually completes the questionnaire cannot be controlled; sample quality is better with mail panel
<b>Online survey</b>	
Administration is inexpensive; data can be gathered quickly; questions can be readily personalized; response rates are high, especially for the hard-to-reach; panel management is easy	Users are not representative of whole population; privacy concerns may arise; unrestricted sample may provide skewed results.

**Source: McDaniel, Carl, Marketing Research: The Impact of the Internet (2002), p. 196**

## **4 Forms of online marketing research**

The previous chapter showed the categorization of the different research techniques and their possible usage. This chapter discusses advantages and disadvantages of online marketing research and at last the methods of conducting an online survey.

### **4.1 Advantages of online marketing research**

The way survey research is conducted has been changed by the Internet. In 2005 online research is expected to account for 50% of all marketing research revenue – over \$3 billion. The reason for this phenomenal growth is straightforward: The advantages far outweigh the disadvantages.<sup>31</sup>

On the other hand, Internet-based research, whether through an online panel or web site intercepts, is nonintrusive. Respondents to a company's online survey, for example, opt in and join voluntarily, answering questions when they are ready. This leads to responses that are well thought out. The average Internet user is online at home for more than 17 hours a week, and men and women are in the US equally represented on the Internet.<sup>32</sup>

#### **4.1.1 Anonymity**

In addition, the anonymity of the Internet provides a comfort level which is not reachable with telephone or mail research, particularly when the subject matter is about income, medical issues, lifestyle or sensitive or controversial issues. Some questions may simply make the respondent squirm a little, for example "How much money did you lose in the stock market last month?", while some are so personal that normally would not answer, for example "How often do you have sex each

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<sup>31</sup> See McDaniel, Carl, *Marketing Research* (2002), p. 120

<sup>32</sup> See Rubin, Jon, "Online Marketing Research Comes of Age." (Brandweek; 10/30/2000, Vol. 41 Issue 42), p. 26

week?". Since online surveys are completely anonymous, they tend to draw more honest responses.<sup>33</sup>

Besides the anonymous character of the Internet, where people tend to be more open, most companies today deal with shorter product life cycles, increased competition, and a rapidly changing business environment. So there is a great need for them to obtain information as fast as possible.

#### **4.1.2 Rapid deployment, real-time reporting**

Online surveys can be broadcast to thousands of potential respondents simultaneously. Respondents complete surveys, and the results are immediately available and the results are in the decision maker's hands in significantly less time than for traditional survey results.

#### **4.1.3 Dramatically reduced costs**

The use of electronic surveys can cut costs and provide results in half the time it takes to do traditional telephone surveys. Telephone surveys are labor-intensive efforts incurring training, telecommunications, and management costs. While the costs of traditional survey techniques rise in proportion to the number of interviews desired, electronic solutions can grow in volume with little increase in project costs.<sup>34</sup>

#### **4.1.4 Ready personalization**

Internet surveys can be highly personalized. Respondents appreciate being asked only pertinent questions, being able to pause and then resume the survey as needed, and having the possibility to see previous responses and correct inconsistencies.

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<sup>33</sup> See Rubin, Jon, "Online Marketing Research Comes of Age." (Brandweek; 10/30/2000, Vol. 41 Issue 42), p. 26

<sup>34</sup> See Baker, Micheal, *Encyclopedia of Marketing* (1999), p. 263

#### **4.1.5 High response rates**

Busy respondents may be growing increasingly intolerant of “snail mail” or telephone-based surveys. Online surveys can be accomplished at the respondent’s convenience, and are much more stimulating and engaging through the use of graphics, interactivity and real-time summary reports.

#### **4.1.6 Ability to contact the hard-to-reach**

Certain groups are among the most surveyed on the planet and the most difficult to reach (doctors, high-income professionals, CEOs). Many of these groups are well represented online. Internet surveys provide convenient anytime/anywhere access that makes it easy for busy professionals to participate.

#### **4.1.7 Simplified and enhanced panel management**

Internet panels are electronic communities, linked via the Internet, that are committed to providing feedback to research firms and their clients. In the web forum of a newspaper, for instance Internet panels can be built and maintained at a fraction of the cost and time required for traditional panels. Once a panel is created different questionnaires about different topics can be sent and evaluated.

#### **4.1.8 Profitability for research firms**

Online surveys can be very profitable. Gordon Back, CEO of Harris Interactive, says profit margins can go as high as 90%.

Harris Interactive has a database of 5 million Internet users. By agreeing to take part in periodic online surveys at Harris Interactive, subjects receive the chance to win various prizes and cash awards. When a survey is ready, the company sends an email to target individuals inviting them to visit the Harris poll web site and answer the questions.<sup>35</sup>

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<sup>35</sup> See McDaniel, Carl, *Marketing Research* (2002), p. 120

## 4.2 Disadvantages of online surveys

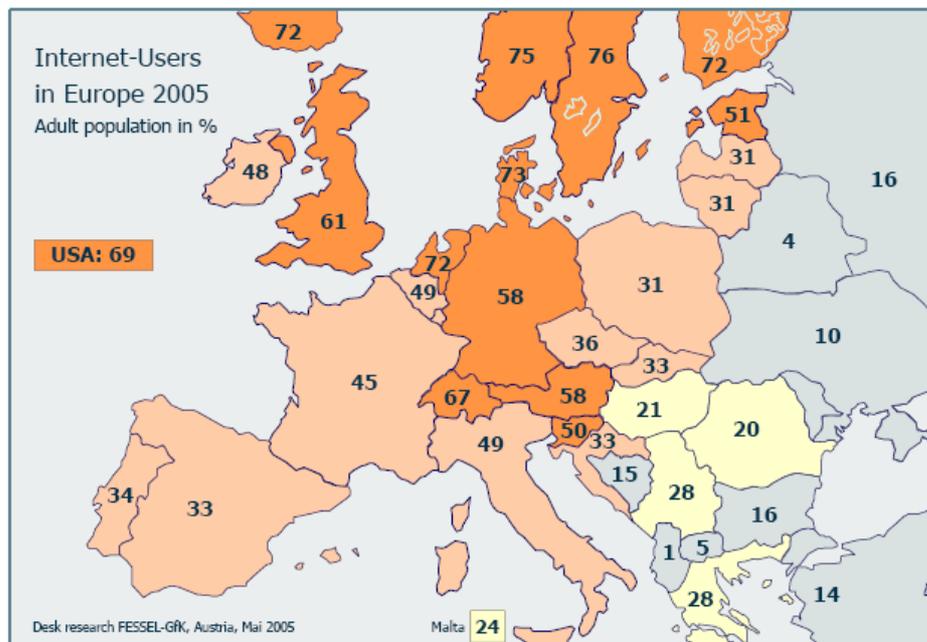
The most common complaint about the use of online surveys is that Internet users are not representative of the population as a whole.

**Table 6: Advantages and disadvantages of online marketing research**

Advantages	Disadvantages
Administration is inexpensive Data can be gathered quickly Questions can be readily personalized Response rates are high especially for the hard-to-reach Panel management is easy	Users are not representative of whole population Privacy concerns may arise Unrestricted sample may provide skewed results.

The most common complaint about the use of online surveys is that Internet users are not representative of the population as a whole. One counterargument is that in some areas researched people are not interested in the population as a whole.

**Figure 2: Internet Access in Europe 2005**



Source: Fessel-GfK, „Onlineforschung“, (2005) [http://www.gfk.at/de/download/present/03\\_products/onlineresearch/Broschure\\_Onlineforschung.pdf](http://www.gfk.at/de/download/present/03_products/onlineresearch/Broschure_Onlineforschung.pdf)

The Figure above shows the Internet usage of adults in Europe in 2005. The Scandinavian countries have the highest Internet usage, where about 70% of adult's population use the Internet. 58% of Austrian adults use the Internet, which is high compared to the European average. 61% of UK population uses the Internet, which is even higher than Austria.

In coming years the number of Internet users in Europe will increase steadily. Even when almost total coverage with Internet is reached, as is now the case for telephone, for research purposes random sampling of Internet respondents remains a problem.

#### **4.2.1 Problem with random sampling**

The problem is not just representativeness of the web population. As more and more people have Internet connections, that problem will solve itself. However, there is a more fundamental problem with web surveys that will not disappear even if everyone has Internet access: There is no direct way to sample email addresses.

In telephone surveys, households can be selected by random digit (RDD). Because every phone number has the same length, it is easy to generate a random set of phone numbers. There are some complications because households can have more than one phone and different numbers, but methods are available to handle these issues.

There is no RDD analogue for email addresses. Nor is there any listing of email addresses, comparable to telephone books for phone numbers, which could serve as a sampling framework. Even if such a listing existed, it would be considered spamming to send out survey requests to a sample of such email addresses.<sup>36</sup>

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<sup>36</sup> See Theobald/Dreyer/Starsetzki, *Online-Marktforschung* (2003), p. 33

### **4.2.2 Self-recruitment**

Today many web surveys recruit samples of web users by employing banner ads, pop-up windows, opt-in email lists, and similar devices. In all these cases self-recruitment can be a problem; that is, the respondents are choosing to participate. The people who accept these invitations, however, are not randomly selected and are demonstrably unrepresentative of web users.

There are two forms of rejecting an Internet survey: “unit-nonresponse” and “item-nonresponse”. Unit-nonresponse means that someone does not participate in the research at all. In the case of item-nonresponse some questions are not answered. The participant might break off the survey which also leads to item-nonresponse. The bigger the sample, the more precise each research parameter is. A low response rate leads to a “nonresponse-error” in the survey. The best protection against nonresponse bias is the reduction of nonresponse itself.<sup>37</sup>

### **4.2.3 Internet security**

"Spam", unsolicited email, seems to be in retreat. According to most studies, the amount of spam that swishes through the Internet is stagnating or declining. The vast majority of what still exists is blocked by filters before it gets to an inbox. Just a few years ago, newspapers ran scary headlines saying that spam would swamp the Internet. Legislatures scrambled to enact laws. Tech firms were handed fortunes by venture capitalists to eradicate it. Today, though still plentiful, spam is hardly the menace it once was. According to MessageLabs, an email services firm, spam decreased from 83% to 67% of all emails sent between January and June 2005.<sup>38</sup>

However, spamming still worries people and in some cases they refer to online marketing research as spam.

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<sup>37</sup> See Theobald/Dreyer/Starsetzki, *Online-Marktforschung*, (2003), p. 56

<sup>38</sup> See “Winning the war on spam; Internet security”, (*The Economist*: August 20, 2005 Vol. 376, Iss. 8440), p. 55

Another problem is the credibility of Internet pages, where the research is done. Sensitive data can be misused, by the researcher directly or by selling them to third parties. The data can also be stolen by hackers.

Security of the Internet is under development and will improve in the next years with new standards and/or operating systems.

### **4.3 Methods of conducting online surveys**

There are several basic methods for conducting online surveys: email questionnaires, downloadable surveys, bulletin boards and data mining. For qualitative research online focus groups are the most important tool.

#### **4.3.1 Online focus groups**

Marketers who have used online focus groups say that benefits outweigh limitations.<sup>39</sup>

##### **a. Advantages of online focus groups**

Those benefits include lack of geographic barriers, much lower costs (about half as much), faster turnaround time, and intangibles such as increased openness on the part of respondents when they for example do not have an interviewer staring them in the face. The participants tend to be more open through the anonymity of the Internet.

Not only are costs lower for online focus groups, but there are substantial travel savings for the client as well.

Another advantage of online focus groups lies in access to the hard-to-reach target population. Over the Internet it is possible to reach populations that are traditionally inaccessible because of time or professional constraints – groups such as lawyers and senior or business executives.

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<sup>39</sup> See McDaniel, Carl, *Marketing Research* (2002), p. 144

Table 7: Advantages and Disadvantages of Traditional and Online Focus Group

	<b>Traditional Focus Groups</b>	<b>Online Focus Groups</b>
<b>Basic costs</b>	More expensive	Cheaper
<b>Participants</b>	Participants are normally locally based, because of travel time and expense.	Anyone in the world with an Internet connection can participate
<b>Time commitment</b>	Approximately 3.5 hours time commitment. Busy respondents are less likely to be available	No driving to facility, approximately 60-minute time commitment. Busy respondents are more likely to be available.
<b>Openness of respondents</b>	Some respondents are intimidated and afraid to speak openly in a face-to-face group setting.	Lack of face-to-face contact may lead respondents to express true feelings in writing.
<b>Group dynamics</b>	What one person says and does (gestures and expressions) can lead others to react.	None
<b>Nonverbal communication</b>	Body language can be observed.	Body language cannot be observed. Participants can use emoticons to enhance communication.
<b>Respondent recruiting</b>	Recruiting certain types of respondents (e.g., top managers) is difficult.	It is easier to obtain all types of respondents.
<b>Communication with moderator</b>	Observers can send notes into focus group room.	Observers can communicate privately with moderator on a split screen.
<b>Respondent security</b>	Participants are accurately identified.	It is more difficult to ascertain who is participating
<b>Attention to topic</b>	Respondents attentiveness can be observed.	Respondents may be engaged in other activities.
<b>Client involvement</b>	Client can observe consumers interacting	Client can read live dialogue and transcripts
<b>Exposure to external stimuli</b>	Package designs, advertising copy, and product prototypes with demonstrations can be shown to participants	Ability to show stimuli is currently quite limited.

Source: See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 145

The inability to see focus group participants is a drawback, but numerous nonverbal cues called “emoticons” are available to help alleviate the situation. These are text-based “pictures” that result from the use of punctuation marks which, in combination, look like expression-bearing faces. Human nonverbal expression includes more information than emoticons can show, but interpreting facial expressions is also a subjective process.

Online focus group respondents tend to rely more on words and complete sentences to express their thoughts and tend to express these thoughts in more concise ways – without the sometimes disruptive pauses, hesitations, and fragmentary statements that occur during spoken communications. In a real discussion people use gestures and other body language to express themselves. It is however very hard to take this kind of expression into consideration. In many panel surveys the only thing that counts is what the participants say. The environment of online focus groups is such that participants give clearer answers.

#### **b. Focus groups trends**

The number and quality of focus groups are growing. One new trend is videoconferencing. The participants of the focus group do not need to travel to one place, which can save time as well as travel and/or lodging costs. The participants are observed by a camera which transmits the records to the client.

“It allows us to get a larger audience of people who don’t normally attend focus groups, people like the head of the network, for example, or the head of the entertainment division, who may not be interested in micro-issues that we deal with but who can step in and take a look at the group because it is being shown right here.” says Nancy Canali Lucas, vice president of research for TBS Superstation.<sup>40</sup>

A second trend is viewing focus groups on the Internet. Although video streaming can suffer from a lack of quality due to bandwidth problems, in terms of access,

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<sup>40</sup> See McDaniel, Carl, *Marketing research* (2002), p. 125

showing a focus group session online offers a number of advantages. Clients have the choice of watching the event either live or on demand, whenever they want. The Internet broadcasting of focus group sessions allows more people to be involved.<sup>41</sup>

Another benefit of watching focus groups online is that the digitized content can be easily incorporated into presentation software and the information can be readily edited and published.

#### **4.3.2 Email questionnaires**

The questionnaire is sent to a list of known email addresses. The respondent fills in the answers and emails the completed form back to the research organization. Email questionnaires are simple to construct and both fast and inexpensive to distribute.

Recent research has compared email surveys with so called snail-mail (U.S. Post Office) surveys. The researchers found that both time and costs could be saved with email surveys. They also found that respondents were more likely to answer open-ended questions in email surveys. Nonresponse rate for the email survey was 42%.<sup>42</sup>

#### **4.3.3 Downloadable and web site surveys**

The questionnaire is downloaded from a web site or integrated on the web site. If the questionnaire is downloaded or if it is received by email, it needs to be returned via email.

The questionnaire that is integrated in the website has an added advantage in that the clicks and entries made by the user can be tracked and timed. Thus integrated web site surveys deliver more data than a survey done entirely by email.

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<sup>41</sup> See McDaniel, Carl, *Marketing research* (2002), p. 126

<sup>42</sup> See McDaniel, Carl, *Marketing research* (2002), p. 125

#### **4.3.4 Bulletin boards**

Another form of online research is done via bulletin boards. Bulletin board conferences are useful for collecting responses over time. The technique involves inviting people to a specific web site where discussion topics and opinions are posted. As people respond to the questions, they can see what others have written and reply to the original responses. In this way, the conversation gradually moves back and forth, much like the discussion of a focus group but in slow motion.

Setting up a bulletin board is not difficult as far as programming is concerned, but it does take more skill than creating an email survey.

This technology is good when a panel of experts or beta testers need to post quick reactions or discuss impressions with others. The method combines elements of both quantitative and qualitative techniques, and the conversational transcript can provide rich data.<sup>43</sup> Bulletin boards or online forums are used in Internet newspapers or on websites for research.

#### **4.3.5 Data mining**

Data mining is another method for collecting data online. Controversial are “cookies”, a technology that allows web sites to track individual users. For a long time, web sites could count requests for information made each day, but they could not tell whether one visitor made 100 requests or 100 users made one request each.

To solve this problem, a web site places a tiny file, a “cookie”, on a visitor’s computer that serves as a tracker. The site does not know the name or email address, but it can distinguish the user.

Cookies consider privacy scenarios. With them, a web magazine can, for instance, see which articles the user read, and a merchant can tell not only which products

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<sup>43</sup> See McDaniel, Carl, *Marketing research* (2002), p. 125

the user bought, but also which product descriptions were simply viewed. So the company can also see which parts of the web site worked well and which did not.

Surfing is intended to be an anonymous activity and cookies cannot automatically penetrate that shield. When a web site is visited, the computer maintaining that site may find out the domain of the visitor's computer, but it cannot determine the user's name, or even the email address, unless that information is voluntarily provided. Plenty of sites that sell products online require names, addresses, email addresses, and credit-card information. Providing it is however the choice of the user.

#### **4.4 Conclusion**

Online marketing research is a highly efficient tool with tremendous potential. New technologies are being developed which will provide many possibilities for expanding the use and application of online research.

The three major disadvantages of online marketing research are self-recruitment, problem with random sampling and the representativeness only for web users.

For quantitative research the initial email contact could be the first step towards forming an online focus group. The comparison of online focus groups and normal focus groups has shown, that the online focus groups have a lot more advantages.

The most common way of creating a sample and communicating with the survey participants is via email. Also email and web sites surveys have more advantages than their traditional pendant, the mail survey. Surveys on a web site are the usual method for quantitative research.

The creation of online access pools would eliminate the problem of self-recruitment and the problem with random sampling, through the selection of panel

owner. Research companies recruit people for their online access pool usually with CATI.<sup>44</sup>

Mixed mode research will have the future, where different methods are combined.<sup>45</sup>

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<sup>44</sup> See Theobald/Dreyer/Starsetzki, Online-Marktforschung, (2003), p. 21

<sup>45</sup> See Theobald/Dreyer/Starsetzki, Online-Marktforschung, (2003), p. 25

## 5 How research works in the media and new directions

The previous two chapters showed possible ways of conducting surveys and how online surveys work. With this knowledge the future perspectives of media research can be analysed. The medias here are categorized in: Press, Television, Radio and Internet. For each media the most important British and Austrian surveys are described with their organisation and methods. Then the methods are summarized and suggestions are given where and how online marketing research can be used.

In the UK, the advertising industry has highly organized systems of research that offer information about the suitability of particular media for specific market segments. The UK is characterized by the highest expenditure on marketing research relative to the GDP, which also means that the expenditure on media research is very high.<sup>46</sup>

### 5.1 Press

On the one hand it is hard to compete with public television, on the other hand the Austrians are still a nation of newspaper readers (daily consumption: 61.4%): only in Sweden, Finland, Germany and Luxemburg people do tend to read more dailies.<sup>47</sup>

To investigate the structure of the newspaper market it is necessary to consider the duality of the media. They operate both on the advertising and on the consumer's market.

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<sup>46</sup> See table 2 on p. 15

<sup>47</sup> See Schneider/Schütz, *European Press Markets* (2004) chapter Melischek, Gabriele; Seethaler, Josef; Skodacsek, Katja, "The Austrian Newspaper Market"

### **5.1.1 Press research in the UK**

Readership surveys have been of interest to advertisers, advertising agencies and publishers in the UK for many years. Pioneer research was done by the Hulton Readership Surveys which were made annually between 1946 and 1955 inclusive.

Since 1992 the survey has been conducted by NRS Ltd.

The Board of NRS Ltd, which governs all aspects currently, consists of four members representing the Institute of Practitioners in Advertising (IPA), four members representing the Newspaper Publishers Association (NPA), four members representing the Periodical Publishers Association (PPA), two representatives of the Incorporated Society of British Advertisers (ISBA), in addition to a chairman and a managing director.

The institutions in the NRS cover the running costs of the survey, which in 1999 totalled £2.9 million.

The current research contractor is Ipsos, who has held the contract for many years. Ipsos is one of the biggest research companies in the world and has its head office in France.<sup>48</sup>

The results of the readership survey are presented on the socio economic grouping shown in table 8.

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<sup>48</sup> See Ipsos, "Annual report 2004" , p. 8,  
[http://www.ipsos.com/docs/pdf/Finance\\_2005/annual\\_report\\_2004.pdf](http://www.ipsos.com/docs/pdf/Finance_2005/annual_report_2004.pdf)

**Table 8: NRS uses 6 socio-economic groupings**

<b>Social grade</b>	<b>Social status</b>	<b>Head of household's occupation</b>
A	Upper middle class	Higher managerial, administrative or professional
B	Middle class	Intermediate managerial, administrative or professional
C1	Lower middle class	Supervisory or clerical, and junior managerial, administrative or professional
C2	Skilled working class	Skilled manual workers
D	Working class	Semi and unskilled manual workers
E	Those at lowest subsistence levels	State pensioners or widows (no other earner), casual or lowest grade workers

**Source: Chisnall, Peter, *Marketing Research* (6<sup>th</sup> Edition 2001), p. 295**

The socio-economic groupings were obviously devised at a time when society was more stable and consumption patterns were largely class-based. However, the concept of life style behaviour does not necessarily coincide with social group membership. As with all social models, this classification scheme reflects some characteristics of the society but cannot group everybody exactly.

The disposable income of the 'blue-collar' family may be as high as that of the professional, yet they will be classified quite differently: For example an established barrister is classified as an A together with a bishop of the Church of England. A teacher under 28 is a C1, but above that age becomes a B. A self-employed London taxi-driver or a plumber is a C2 type, whereas an articulated clerk is classified as a C1, as are small shopkeepers. It is also recommended that all students should be grouped as C1s, and people unemployed for up to six months should be classified according to their previous occupation.<sup>49</sup>

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<sup>49</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 295

In 1990, The Field Committee of the Market Research Society published *Occupations Groupings: A job dictionary*. With the help of the job dictionary advertising agencies can easily find their target groups for a certain campaign in the newspapers by using the NRS. The results of the NRS are now easier to classify according to the coverage and effectiveness targeting people with a certain job.<sup>50</sup>

### **Methodology**

Ipsos RSL (formerly Research Services Ltd) has held the NRS contract for several years.

### **Sampling**

The sample universe is all adults aged 15 and over living in mainland England, Scotland and Wales (approximately 46.5 million). The 1999 sample was 35,816.

The sample design is a multi-stage probability sample based on 2,520 Enumeration Districts. The objective of multistage-sampling is to concentrate the interviewers in convenient areas to save costs and time for a national survey. The selection evolves in two or more stages. At each stage a sample is taken.

### **Fieldwork**

The research is done continuously over 12 months and samples are weighted separately by month to make each month representatively balanced by sex, age, region and class. Since July 1992, the survey data have been collected by computer-assisted personal interviewing (CAPI).<sup>51</sup> With this method, the report results can be available within three weeks from the end of fieldwork. Interviewers make personal calls at specified addresses and attempt to interview one person according to a strict selection procedure, as noted earlier. Only the selected person may be interviewed for a household. A minimum of five calls must be made

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<sup>50</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 295 to 298

<sup>51</sup> See chapter "Common methods of marketing research and their weaknesses"

before interviewers are allowed to abandon attempts to secure an interview at a selected address.

### **Scope of readership enquiries**

Approximately 300 publications are measured; six titles are grouped together on 50 prompt cards, which are sorted into 'any publication seen in the last year' and 'no publication in the past year'.

### **Analysis**

The results are weighted to produce estimates of the number of readers in the total population of 46.5 million adults. Analyses include demographics, shopping behaviour, household composition, income, tenure, ownership/usage of video, teletext, computers, mobile telephones, as well as leisure pursuits, education, financial arrangements, TV viewing habits and radio listening habits.

NRS survey subscribers are provided with the report, published monthly and semi-annually, with 3-month, 6-month and 12-month summaries.

For some time, there has been general concern about refusal rates, which are rising steadily: 'More people are becoming refuseniks'. This trend is noticeable even in flagship studies like the National Readership Survey, where response rates are now around 60% after eight or more calls to respondents.<sup>52</sup>

### **Readership measurement by telephone surveys**

JICNARS (Joint Industry Committee for National Readership Surveys) has sometimes conducted telephone surveys. From a number of such studies, it was evident that there was a consistent bias: estimates of readerships of the upmarket 'quality' newspapers tended to be higher than those obtained from the main NRS, while readerships of the mass-market 'popular' journals were underestimated.

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<sup>52</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 300

An experimental telephone study was undertaken by Research Services Ltd in 1988, and new questions were also added to the NRS itself, to try to identify the causes of these biases. Findings revealed that the prime reason lay in the considerable differences between the social grades attributed to respondents in personal and telephone interviews, even when both interviewing methods were conducted by the same research firm.

It was difficult to obtain on the telephone the extra information needed to classify a head of household with an accuracy comparable to that of the face-to-face NRS interviewer. There was a tendency for some of the B social grade people to be classified in the telephone interview as C1.

NRS has developed a new telephone survey which entails re-interviewing NRS respondents who were interviewed a few months earlier. Since their social grades are known from the first interviews, as are their telephone numbers, the problems of using telephone directories are neatly avoided.

However, since 1988 NRS has not used telephone interviewing to produce any published readership estimates. All data published by the survey are generated using the face-to-face CAPI technique.

### **Regional press readership**

In August 1990, the Joint Industry Committee for Regional Press Readership Research (JICREG) was launched so that Britain's regional newspapers could be evaluated in common with other media on readership and not just on circulation.

JICREG faced significant problems in designing effective research techniques for some 1600 newspapers and newspaper groupings. All the JICREG data are held in the research database at The Newspaper Society.

### **5.1.2 Press research in Austria**

Austrian newspapers are analysed by the association of "Medien Analysen". Following recent reforms, the media analysis is now done by three research institutes: Gallup, Fessel-GfK and Ifes. The media analysis surveys not only the

newspapers, but also TV, radio and the Internet. Thus it is the most important media survey in Austria. In this chapter only the newspaper research is discussed. The Austrian TV, radio and Internet research are shown in separate chapters, but in general they are part of the media analysis.

The media analysis measures the distribution and range of all Austrian newspapers. The survey represents the press consumption by 6,796,000 persons who are 14 years or older. They represent a total of 3,322,000 households. Data are collected in 17,749 interviews annually. This sample is a multi-stage one with disproportionate random selection.

The questionnaire asks first about the consumption of the following formats in the following order: monthly magazines, semi-monthly magazines, weekly newspapers and magazines, regional weekly newspapers, dailies and supplements.

The mentioned questionnaire also asks about TV, radio and Internet. The largest surveys on these medias are however, done separately with different methods than face-to-face interviews, which are discussed later. One objective of the media analysis is to list the range of all medias so that they can be compared. The advertising industry in Austria requires this report for professional media planning.

The interviews are made in the respondent's home or in some cases, such as for the self-employed and clerks, they are done at the work place. The interviewers are well trained and the fieldwork is regularly controlled by the institutes and by an association of media companies.<sup>53</sup>

### **5.1.3 Future of press research**

The following problems are encountered in media research in the UK:

- The response rate of calls right now is around 60% but the tendency is decreasing.

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<sup>53</sup> See Association of media analysis, "media analyses" (2005) <http://www.media-analyse.at/info/medieninfo.html>

- The research of regional press is very costly.

To create a sample in the UK, at the beginning telephone interviews are made and in a second step the newspaper research is conducted by interviewers face-to-face. Due to problems of random sampling and self-recruitment, online marketing research cannot be used for studies that represent the whole population. It is therefore only possible to use it in press research for niche surveys. The surveys with CAPI and face-to-face interviews are very expensive. The same applies to Austria, where personal interviews are also used. For the respondents who have been identified as Internet users, online marketing research could be used as a cost-efficient alternative.

As the profile of Internet users is changing so fast, it is hard to merge the results of online surveys with other surveys.<sup>54</sup> Since the advertising and media companies rely on exact data, and they finance the press research in UK and in Austria, press research currently has enough funding to be conducted with the techniques, which bring the most exact results.

The cost factor is much more significant for regional press research. However, online marketing research is not yet representative of the whole population and is therefore not an alternative at this time.

In Austria and the UK additional data in addition to the media usage are collected, for example employment, possession of home electronic devices (TV, video recorder, Playstation, etc.), personal interests, personal belongings and purchase plans. Basically the information is requested to better categorize the target groups and their media usage.

The only area where online marketing research could be used effectively is in the advertising and qualitative research to measure opinion about a certain newspaper or magazine. The qualitative research can determine which articles and photos the target audience like and which articles are actually read. Another important usage

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<sup>54</sup> See Theobald/Dreyer/Starsetzki, *Online-Marktforschung* (2003), p. 38

is a cold run of a newspaper, where the content and the opinion of the target audience are analysed before it is actually published.<sup>55</sup>

Internet newspapers will play a major role in the near future. The Internet newspapers which are normally an additional service of press firms are a perfect media for applying online marketing research. Online votes, bulletin boards and data mining lead to exact information for planning and developing the content. Sufficient Internet data exist for media planning, but as yet the advertising industry is very cautious about investing in online services.<sup>56</sup>

## **5.2 Television research**

Almost all EU households are equipped with TV sets; many have two sets or more. Cable and satellite transmission penetration differs widely from country to country, as does the structure of the industry. On average, in 2002, over half of EU households had access to cable networks, but only 31% of TV households actually subscribe to cable services. Austria remains the country where people watch TV the least (153 minutes).<sup>57</sup>

### **5.2.1 TV research in the UK**

The development of television advertising has added to the competitiveness of the industry, and has encouraged media owners to produce research data of greater sophistication and reliability. The advertising research in the UK has been radically changed by the introduction of electronic systems of data collection. Computer-assisted personal interviewing (CAPI) has also contributed to the increased efficiency of readership data.<sup>58</sup>

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<sup>55</sup> See Baier, Barbara, "Editorial Monitor" (2004), IFES Presentation, [www.ifes.at](http://www.ifes.at)

<sup>56</sup> See Katzlberger, Michael in interview, „Online-Kampagne darf nicht Abklatsch der klassischen Kampagne sein“, (23.9.2005), <http://derstandard.at/?id=2136673>

<sup>57</sup> See EU Commission, "The Future of European Regulatory Audiovisual Policy" (Brussels, 15.12.2003), p. 4, [http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003\\_0784en01.pdf](http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003_0784en01.pdf)

<sup>58</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 294

### **a. TV advertising research**

In 1957 the Joint Industry Committee for Television Advertising Research (JICTAR) was founded to represent three bodies: Incorporated Society of British Advertisers Ltd (ISBA), the Institute of Practitioners in Advertising (IPA), and the Independent Television Companies' Association Ltd (ITCA). The costs are split by the three professional organizations in agreed percentages: programme companies 57.1%, advertising agencies 28.6% and advertisers 14.3%.<sup>59</sup>

#### **Broadcasters' Audience Research Board (BARB)**

To avoid difficulties arising from different research methods, a joint system for researching both BBC and commercial television audiences was implemented in August 1981. In August 1991 a new enhanced service was started with a sample expanded to 4435 reporting homes. In May 2000, after receiving competitive tenders, BARB awarded a new contract, to run from 2002 to 2006, to the Swiss-based AGB group.<sup>60</sup>

#### **The collection of data: audience measurement**

The Establishment Survey is based on a random sample of over 37,500 interviewers conducted continuously throughout the year. The results of the survey, together with government census data, are used to select a fully representative sample of homes in terms of viewing habits, TV equipment ownership, family composition and demographics to take part in the audience measurement panel.

Television audience measurement developed from diaries and set meters in 1981 to online meters capable of monitoring VCR activity with individuals entering their viewing through a push-button handset in 1985. This system was further enhanced in 1991 by improved metering equipment which identifies material played back by

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<sup>59</sup> See Chisnall, Peter, *Marketing Research* (2001), p. 301

<sup>60</sup> See AGB-Group

the VCR following in-home recording and also allows guests to input limited personal information.

Each person presses the appropriate button on when they start to view, and off when they stop, and the data are fed into an electronic meter.

At a central station a minicomputer automatically dials each panel home between 2 am and 5 am to upload the accumulated data.

Time shifting, for example viewing of a programme previously recorded at home, is complex to measure. The VCR meter imprints an electronic code (channel, date, time) on the video tape. When the tape is played back the TV meter 'reads' the code on the tape. The identity or contents of a pre-recorded tape (hired, borrowed, or purchased) cannot be detected and viewing of these tapes is registered as 'other play-back' on the controller.

BARB estimates that the response rate from the panel is 98 to 99% which ensures a very high degree of accuracy in the statistics.

Three specialist reports are issued:

- The Network Report shows summary information for those primarily concerned with the advertising usage of the data that is ITV, Channel 4, advertising agencies and advertisers.
- The Astra Report summarizes the statistics for those homes which can receive Astra satellite channels.
- The BBC Report is tailored to the BBC's needs which are different. The BBC carries no advertising. Nevertheless, the BBC is interested about programme audiences and in the performance of other channels and in regional variations.

BARB issues a Weekly Press Release giving the hours of viewing to each channel and listing the number of viewers for the most popular programmes of each channel.

However, a significant drawback is defining what viewing really means: A panel member might have the TV set switched on (and the meter recording that a particular programme was being viewed) but could be asleep, reading a book, talking to other members of the family or even absent from the room. Unlike electronic diaries, push-buttons cannot be used to register out-of-home viewing.<sup>61</sup>

#### **b. Television Opinion Panel**

In addition to measuring the size and composition of audiences, BARB also runs an audience appreciation service for the BBC and ITV. Members of the national panel are rotated; data is collected from 6000 panellists for each report. The basic operation requires participants to complete weekly booklets. The programme diary requires respondents to rate on a scale from 0 to 10 each programme they watch. The children's panel only covers broadcasts up to 9 pm. These data are used to produce an Appreciation Index (AI) for each programme which is expressed as an average mark out of 100. A second booklet consists of questions which can be asked by the broadcasters about any aspect of a particular programme on a particular day. The broadcasters also wish to know, for example, what the public thinks about the presenter of a programme.<sup>62</sup>

#### **5.2.2 TV research in Austria**

Since 1991 Austrian TV consumption is measured using the Teletest system. Before, from 1981 until 1990, the TV consumption was measured with diaries. Each participant entered the time and the programme that was watched in the diary. Until 1981 the viewers were surveyed in face-to-face interviews done semi-annually.

The Teletest is run on behalf of the Austrian public broadcaster ORF by the marketing research company Fessel-GfK. The data obtained from the research is forwarded to media agencies and companies in the field of advertising. The usage

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<sup>61</sup> See Chisnall, Peter, Marketing Research (2001), p. 302 to p. 304

<sup>62</sup> See Chisnall, Peter, Marketing Research (2001), p. 305

of the Teletest data for other broadcasters, for example ATV+, IPA and SevenOneMediaAustria is arranged in licence contracts.

### **Teletest method**

There is a telecontrol instrument in each test household that registers which channel currently runs on the TV. The identification of the person who currently watches is distinguished by the remote control. Each member of the household that is 4 or older is identified by a personal button on the remote control. Before a programme appears on the television, a text prompt is displayed to remind the user to press the appropriate personal identification button.

The data of the set-top box is transferred every morning between 3:30 and 5:30 a.m. over the telephone line to Fessel-GfK where the data is evaluated. In the head office the protocols are connected to the titles of the TV shows and a ranking is calculated. Each day at 8:30 a.m. the data is transferred to ORF and other licensed Teletest partners. The Teletest results are also published daily in the ORF's teletext and on their website.

### **The Teletest panel**

Since 2001 the panel consists of 1500 Austrian households, which are equipped with the Swiss microcomputer "Telecontrol XL". The panel consists of 3631 participants: 3254 persons over 12 years that represent the TV consumption of 6.8 million Austrians adults and 377 children from 3 to 11 years representing the TV consumption of 800,000 Austrian children.

The test households are recruited over questionnaires which determine if the household is suitable for the test. Every year 15% of the sample is replaced.

The sample is organized disproportionately which means that the number of households is not in direct proportion to the population of the state.

**Table 9: Distribution of the Teletest panel in the Austrian states**

<b>Austrian states</b>	<b>No. of households</b>
Vienna	280
Lower Austria	230
Burgenland	110
Styria	195
Carinthia	120
Upper Austria	210
Salzburg	120
Tyrol	125
Vorarlberg	110

**Source: ORF, "Teletest" (2005)**

[http://mediaresearch.orf.at/index2.htm?fernsehen/glossar\\_teletest.htm](http://mediaresearch.orf.at/index2.htm?fernsehen/glossar_teletest.htm)

The sample is also disproportional as to the level of TV access: cable, satellite or antenna. At the beginning of 2001 the panel was extended from 1200 to 1500 households, in order to obtain more exact data on the sub-sample of cable TV users.

On European-wide basis, the Teletest with 1500 households is relatively large compared to the total population of Austria (8 million). Only countries with more than 35 million inhabitants have larger panels.

### **Teletest results**

- Data exact to the second on the usage of TV channels over antenna, analogue or digital cable and satellite connections
- Recording of TV consumption from video recorders and other devices, including up to 8 guests per household
- Data about playing of video bands (own and foreign bands)
- Usage of teletext

**Table 10: Panel size for TV measurement in different European countries**

<b>Country</b>	<b>No. of households</b>
Germany	5640
Great Britain	5100
Italy	5000
Spain	3305
France	3100
Switzerland	Each language region 1870
Belgium	1500 (same as Austria but for a population of 10 million)
Skandinavian countries, Ireland, Netherlands, Greece, Portugal and most of the Eastern European countries	The panel size is smaller than in Austria

**Source: Source: ORF, "Teletest" (2005)**

[http://mediaresearch.orf.at/index2.htm?fernsehen/glossar\\_teletest.htm](http://mediaresearch.orf.at/index2.htm?fernsehen/glossar_teletest.htm)

Besides being an aid for programme planning, the Teletest is used for measuring the effectiveness of commercials.

In addition to the socio-demographic information on the panel consumption, the lifestyle characteristics are also measured on an annual basis.

Since 2002 the Teletest has been expanded to include the integration of the Sinus-Milieu which describes the target group in a qualitative way. The Sinus-Milieu analyses work, family, spare time and consumer activities within various social groups.<sup>63</sup>

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<sup>63</sup> See ORF, "Teletest" (2005)

[http://mediaresearch.orf.at/index2.htm?fernsehen/glossar\\_teletest.htm](http://mediaresearch.orf.at/index2.htm?fernsehen/glossar_teletest.htm)

### **5.2.3 TV advertising measurement in the EU and US**

Since 1990 television audience research methods across the major European countries have largely become standardized and based on the adoption of electronic (peplemeter) systems. With the growth of the EU, more attention is being given to the desirability of harmonizing research on audience measurement, so that comparable and compatible data can be obtained.

In the US, the Schwerin (Zitat) research organization mails invitations to randomly selected households to see a theatrical presentation of films (general interest films, some commercials). Afterwards, a competitive preference test is organized, and viewers are offered a year's supply of a product, the brand of which they must choose. This test is said to encourage serious judgement in everyday shopping. This form of advertising research was tried for a time in the UK but was later discontinued.

Television advertising measurement in the US also uses electronic meters (Nielsen 'Audimeter' for national ratings and Arbitron for local); diaries (Nielsen 'Recordometer' and Arbitron) and the telephone coincidental method (the Trendex service). Another method of television research involves personal interviews in the homes of viewers. 7800 homes are visited each day.<sup>64</sup>

### **5.2.4 Future of TV research**

A basic problem with advertising measurement systems which are based on diaries or phone calls (Nielsen method) is the inaccurate recall because of poor memory together with the relatively high costs of interviewing that are also significant drawbacks. Online marketing research cannot solve inaccurate recall, but this technique can help lower costs.

In Austria and in UK online meter are used to measure the watched programmes. In September 2003 a new system of measuring digital TV was introduced. Before

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<sup>64</sup> See Chisnall, Peter, Marketing Research (2001), p. 305

that the Teletest could only determine when and how long digital TV was used but not which digital channel is viewed. For measuring the usage of set-top boxes with programmes, a part of the panel households has been equipped with special instruments and software to recognise the digital channels. This is the same technology as that used in Germany.

Due interaction with digital TV is possible, it is expected that the consumption of TV, will be changed to a more interactive process. Right now TV is related with passive consumption, but by the time the interaction of programmes need to be also in the research be considered.

Television Opinion Panel data can be obtained with online marketing research. As in press research, the appreciation of or impression made by a certain program can be measured with quantitative techniques. Almost every TV channel has a web site, where users can get further information about programmes. This “cross media” strategy also leads to a web community for a TV channel.

### **5.3 Radio research**

Measuring radio listening is, in many ways, a more complex task than researching television audiences. Radio is a media that is highly split. There are regional, local and many foreign or international services.<sup>65</sup>

#### **5.3.1 Radio audience measurement in the UK**

Commercial radio broadcasts in the UK commenced in October 1973, when LBC and Capital Radio opened. Commercial radio stations have proliferated and there are now 219 operating under licence from the Radio Authority.

The BBC has been involved in audience research since 1936. However, the Audience Research Department was closed down in 1990 and the BBC’s Broadcasting Research Department contracted out fieldwork operations, such as survey and group discussions.

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<sup>65</sup> See Chisnall, Peter, *Marketing Research* (2002), p.306

The research covers both BBC and commercial radio stations, in total over 250 stations.

For radio research, the BBC has joined the Commercial Radio Companies Association (CRCA). The Radio Joint Audience Research (RAJAR) is jointly owned by the BBC and CRCA.

The measurement is done by Ipsos-RSL on behalf of RAJAR. Every week, more than 200 trained interviewers place radio listening diaries with over 3000 different and carefully selected respondents, aged +4 living in private households. Each respondent is interviewed and shown how to record and complete a 7-day diary of his/her listening habits. These diaries are collected by the interviewers at the end of the week and returned to the research company.

Over 90% of radio listening is known to be secondary to activities such as driving a car, reading, preparing a meal, etc. Respondents are asked which stations they have listened to in the past week. It need not be at home, it could have been in a car, in somebody else's home or anywhere else.<sup>66</sup>

### **5.3.2 Radio research in Austria**

The radio audience is measured by Fessel-GfK. The owners of the test are the public Austrian broadcaster ORF and the privat radios. Individuals 10 years and older represent the population of that age group (7,180,000). The survey covers the entire country, including all states.

Precise data on radio consumption is necessary

- To determine the impact of seasonality
- To receive up-to-date information about the programmes for commercial and marketing strategies
- To produce programs that people are interested in

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<sup>66</sup> See Chisnall, Peter, *Marketing Research* (2002), p.306

- To determine trends in consumption during the week vs. the weekend

24,000 interviews are made each year. This amounts to nearly 70 interviews every day. Reports based on 6000 interviews are released every quarter. The interviews are distributed disproportionately over the states.

**Table 11: Disproportional interview distribution of TV research in Austria**

States	Disproportional		Proportional	
	Absolute	in %	Absolute	in %
Vienna	3,360	14	4,723	20
Lower Austria	3,120	13	4,598	19
Burgenland	2,400	10	833	4
Styria	2,640	11	3,555	15
Carinthia	2,400	10	1,667	7
Upper Austria	2,880	12	4,059	17
Salzburg	2,400	10	1,526	6
Tyrol	2,400	10	2,004	8
Vorarlberg	2,400	10	1,036	4
<b>Total</b>	<b>24,000</b>	<b>100</b>	<b>24,000</b>	<b>100</b>

**Source: Radio Test (2005), [http://www.rms-austria.at/download/rms/media\\_service/radiotest/methodenbeschreibung\\_2004.pdf](http://www.rms-austria.at/download/rms/media_service/radiotest/methodenbeschreibung_2004.pdf)**

Since 1995 the CATI (Computer Aided/Assisted Telephone Interviews) method has been used for the radio survey.

The advantages of CATI are:

- No false answers possible through ticking the incorrect field
- Results are quickly available
- Intermediate results are possible

- Supervisor can observe and control the process of interviewing, for instructing interviewers and checking their work.<sup>67</sup>

For setting up a sample which represents the population of Austria, random telephone number from the public phone book are taken.

The results are presented in semi-annual and annual reports. In these reports three characteristic numbers are important:

- Daily range: It considers persons who during the prior day listened to the radio at least a quarter hour. For this figure it is not important, when or how much longer they listened.
- Length of listening: This shows how long particular stations were listened to. The time is measured in minutes.
- Market share: This shows the listening time for one station relative to the total listening time. The market share of market is always presented in per cent.<sup>68</sup>

### 5.3.3 Future of radio research

Interestingly, radio metering long preceded the application of the techniques to television. In the US the Nielson Radio Index used meters in association with diaries from 1936 to 1964, but the service was discontinued because of the increasing numbers of car radios and small portable radios.<sup>69</sup>

RAJAR constantly checks all available techniques for improving its research methods. One possibility under consideration is the personal meter or 'radiometer', which monitors the listening habits of respondents in any location and at any time. However, respondents would be obligated to carry or wear a metering device

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<sup>67</sup> See chapter "Common methods of marketing research and their weaknesses", p.

<sup>68</sup> Radio Test (2005), [http://www.rms-austria.at/download/rms/media\\_service/radiotest/methodenbeschreibung\\_2004.pdf](http://www.rms-austria.at/download/rms/media_service/radiotest/methodenbeschreibung_2004.pdf)

<sup>69</sup> See Chisnall, Peter, *Marketing Research* (2002), p.307

(whether a pager type or wristwatch). How willing they would be to do this and the cost-effectiveness of such a system has not yet been determined.

The technology wrist band watches is used by the GfK-Group in Switzerland.<sup>70</sup> The UK uses diaries and Austria CATI to measure the citizens listening habits. Online marketing research cannot remove this technologies and it is expected that the wrist band watches are the future for radio measurement.

## **5.4 Internet research**

The Internet is the forth and last media that is analysed. Since there are so many ways for researching the Internet, only those used in Austria will be considered in detail.

### **5.4.1 GfK Online Monitor**

The GfK Online Monitor observes the development of the Austrian online market. It measures Internet access rates for the adult Austrian population as well as the form of usage: For example how many Austrians regularly read emails or news reports. The research represents the Austrian population over the age of 14. For the Online Monitor 1000 CATI per month are done.

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<sup>70</sup> See GfK Medial, "Media in focus - in touch with European audiences" (2005), p. 7  
[http://www.gfk.at/de/download/BROCH/medien\\_engl.pdf](http://www.gfk.at/de/download/BROCH/medien_engl.pdf)

**Figure 3: GfK online monitor shows Internet user in Austria 1996-2005**



Source: Fessel GfK, "Online Research" (2005), [http://www.gfk.at/en/download/present/03\\_products/onlineresearch/Brochure\\_Online\\_Research.pdf](http://www.gfk.at/en/download/present/03_products/onlineresearch/Brochure_Online_Research.pdf)

### 5.4.2 Austrian Internet Radar

Research for the Austrian Internet Radar is done on behalf of the Austrian public broadcaster (ORF). The objective is to find out how many visitors the 120 most important Austrian websites have and which target groups they serve. The information is especially tailored for media planning use. Here too the research represents the Austrian population over 14 years of age. Twice a year 5000 online interviews are made using the CAWI (Computer-Assisted-Web-Interviews) method. The sample is taken from the Fessel-GfK Internet Address Pool.

**Figure 4: Results of the 2005 Austrian Internet Radar showing the coverage and number of visitors of the most important Austrian Websites**

AIR 1. Welle 2005 - TOP 30 Angebote			
	Reichweite definiert "in den letzten 4 Wochen besucht"	%	Tsd.
1	ORF.at (NRW) <sup>1</sup>	63	2.385
2	Telekom Austria (NRW) <sup>2</sup>	43	1.638
3	ebay.AT	43	1.610
4	HEROLD.at	39	1.455
5	Microsoft (NRW) <sup>3</sup>	37	1.379
6	GMX	33	1.248
7	ÖBB Bahn wirkt.	32	1.196
8	AMAZON (NRW) <sup>4</sup>	30	1.116
9	News (NRW) <sup>5</sup>	29	1.087
10	krone.at	29	1.081
11	EDUSCHO.at	24	897
12	Geizhals Preisvergleich	23	877
13	sms www.sms.at	21	807
14	STYRIA (NRW) <sup>6</sup>	20	751
15	wien.at	18	696
16	derStandard.at	18	682
17	TOP Medien (NRW) <sup>7</sup>	18	671
18	T-Mobile (NRW) <sup>8</sup>	16	586
19	www.help.gv.at IHR. AMTSHELPER	15	572
20	OneTwoSold	15	567
21	A & M	14	540
22	one	14	520
23	win2day.at	14	519
24	tele.ring	13	509
25	UTA-Gruppe (NRW) <sup>9</sup>	13	492
26	AMS	13	486
27	icq	12	462
28	Austria.Com (NRW) <sup>10</sup>	12	457
29	RTL.de	11	418
30	chello	11	408

**Quelle:** AIR, Fessel-GfK, 15.02.-15.05. 2005, n = 5.000  
**Grundgesamtheit:** regelmäßige Internet-Nutzer ab 14 Jahren  
 NRW (Nettoreichweite) = zumindest eines abgefragten Angebote "in den letzten 4 Wochen besucht"; () = Anzahl Angebote  
<sup>1</sup>(28), <sup>2</sup>(5), <sup>3</sup>(2), <sup>4</sup>(2), <sup>5</sup>(9), <sup>6</sup>(2), <sup>7</sup>(4), <sup>8</sup>(2), <sup>9</sup>(2), <sup>10</sup>(8)

MEDIENFORSCHUNG **ORF**

Source: ORF, Medienforschung (2005)

[http://mediaresearch.orf.at/index2.htm?internet/internet\\_owa.htm](http://mediaresearch.orf.at/index2.htm?internet/internet_owa.htm)

### 5.4.3 Webtest

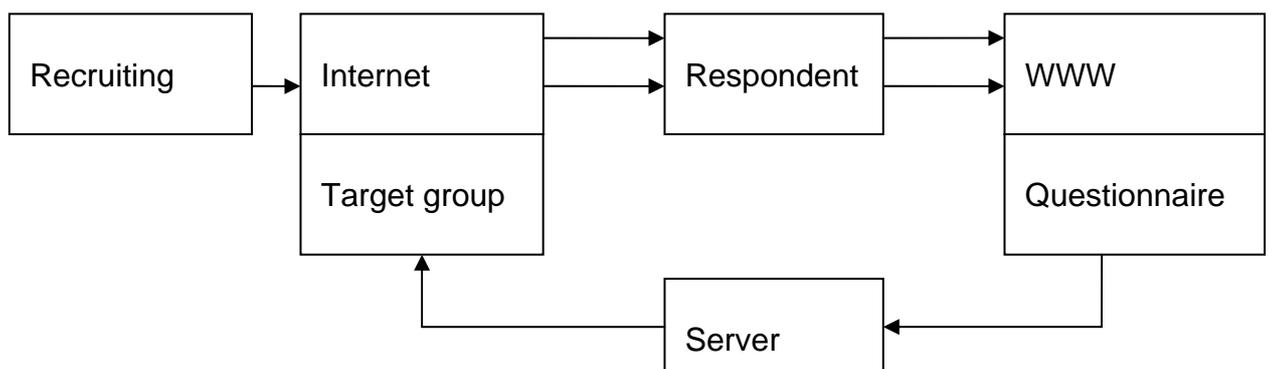
The Webtest determines the strengths and weaknesses of a webpage by monitoring how the customer reacts on the website. The method of processing the research is qualitative as well as quantitative.

The quantitative Webtest works with 100 online interviews (CAWI). The objective of the quantitative test is to obtain numerical ratings based on standardized benchmarks. The qualitative Webtest uses 20 or more computer stations. A scan converter shows what is happening on the screen.<sup>71</sup>

### 5.4.4 Future of Internet research

Since 1999 the Fessel-GfK has been accumulating an Internet address pool. People with an email address and Internet access are continuously being actively recruited to perform online research. No self-recruitment is possible. The pool now has around 15,000 participants. The recruitment is done offline through CATI. Figure 5 below shows the process of recruiting participants for the Internet address pool.

Figure 5: Process of recruiting Internet address pool by the Fessel-GfK



Source: Fessel GfK, "Online Research" (2005), [http://www.gfk.at/en/download/present/03\\_products/onlineresearch/Brochure\\_Online\\_Research.pdf](http://www.gfk.at/en/download/present/03_products/onlineresearch/Brochure_Online_Research.pdf)

<sup>71</sup> See Fessel GfK, "Online Research" (2005), [http://www.gfk.at/en/download/present/03\\_products/onlineresearch/Brochure\\_Online\\_Research.pdf](http://www.gfk.at/en/download/present/03_products/onlineresearch/Brochure_Online_Research.pdf)

In the near future, as Internet usage becomes more common, it should be possible to use these pools to create samples with the same characteristics as the general population. If the representative sample is stored in a database, then the problem of random sampling is also bypassed with this method. For the quantitative media research which requires exact data, the database is not yet broad enough.

If an Internet database could create a sample which also represents non-Internet users, online marketing research would have its big breakthrough in media research. Key requirements are that the profile of Internet users becomes more stable and the Internet itself becomes more widespread.

This online survey can be very profitable. Gordon Back, CEO of Harris Interactive, says profit margins can go as high as 90%. Harris Interactive has a database of 5 million Internet users. By agreeing to take part in periodic online Harris surveys, participants receive the chance to win various prizes and cash awards. Whenever a survey is ready, the company sends an email to target individuals inviting them to visit the Harris poll web site and answer the questions.<sup>72</sup>

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<sup>72</sup> See McDaniel, Carl, *Marketing Research* (2002), p. 120

## **6 Perspectives for the future of online marketing research**

The Internet is the most dynamic all the media and this is where online marketing research is most applicable. But even in the Internet, for example for studies about the Austrian online monitor, where access of adults to the Internet is measured, it is currently done by CATI.

In 2005 online research is expected to account for \$1.5 billion annually or 50% of all marketing research revenue.<sup>73</sup> This is based on general marketing research on products. This phenomenal growth does not yet count for the media research, which is primarily aimed at delivering exact data. In media research the quality of data counts most and the cost factor of online marketing research is at present not a high priority.

### **6.1 Quantitative media research**

The results of the comparisons of Austrian and UK medias led to the following findings: In the traditional mass medias, TV, radio and press, the quantitative research will probably not be replaced by online marketing research any time soon. For TV, online meters measure the range of programs. Although online is in the name and it is a form of electronic data collection, it is not considered to be online marketing research.

For radio, one of the newest trends is wearing wrist bands for measuring the listening habits, but these devices also belong to electronic research and not to online marketing research.

Quantitative press research is done by CAPI or CATI, which also belong to electronic research. Such electronic research is expensive to set up. Mass media

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<sup>73</sup> See McDaniel, Carl, *Marketing Research: The Impact of the Internet* (2002), p. 120

research is organised in associations that are financed by the advertising and media companies.

Quantitative mass media research in Europe uses electronic research techniques, such as CATI, CAPI, online meters and wrist bands.

For new media, such as the Internet, the range and distribution is also measured by CATI. The most visited or best sites are determined by online marketing research. If Internet users are being surveyed, then online marketing research can be used.

## **6.2 Qualitative media research**

There are many more possibilities for applying online marketing research in qualitative media and advertising research. Online marketing research especially used in the advertising research. The POP (Placards Online Pretest) from Fessel GfK determines the impression made by a placard. The results are available in less than four days over email. Eight attributes are considered in the process of measurement. The results are also benchmarked for comparing the results among placards. 200 online interviews for each placard. The service is gratis for members of the association of exterior advertising (Verein für Aussenwerbung).

The Online Express is a pretest for all types of commercials or ads for radio, TV and newspapers. Logos and concepts are also measured and benchmarked. The rating works over points from 0 to 10. The criteria that are rated can be chosen by the client. The results are available within four days. The cost is €1000 per item rated.<sup>74</sup>

For mass media like press and TV the grading of programs can be done by online marketing research. Such results are more interesting for use within the media company itself, for example before broadcasting or relaunching a programme.

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<sup>74</sup> See See Fessel GfK, "Online Research" (2005), [http://www.gfk.at/en/download/present/03\\_products/onlineresearch/Brochure\\_Online\\_Research.pdf](http://www.gfk.at/en/download/present/03_products/onlineresearch/Brochure_Online_Research.pdf)

## 7 Appendix

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