

RESEARCH ● *The next best thing to being there*

Two technologies vie for piece of growing focus group market

By STEVE JARVIS
 Staff Writer

Until recently, the only way a qualitative researcher could remotely view a live focus group was through videoconferencing, and that required a special focus group facility and Integrated Services Digital Network (ISDN) phone lines carrying the video feed to the researcher's office or another suitably equipped place for viewing.

But in just three years, Internet video streaming (also called webcasting or Internet video broadcasting) has emerged as a practical alternative that is growing rapidly in acceptance. Webcasting now comprises about 15% of the total market for focus group video broadcasts—up from zero only three years ago—and is growing steadily, say service providers and qualitative research executives.

Such early enthusiasm for the Net technology has the industry wondering if it will be the method of choice for broadcast focus groups, but that outcome does not yet seem imminent. Both technologies are growing in popularity—especially in the post-9-11, travel-wary business environment—and the new Internet video streaming technology still has some serious drawbacks.

"I think they both (webcasting and traditional videoconferencing) will grow and I think there is a place for both," says John Houlahan, founder and CEO of Stamford, Conn.-based FocusVision Worldwide Inc. His company has offered traditional videoconferencing for more than 10 years and began offering Internet video services only about two years ago.

Videoconferencing is familiar to most researchers. At its most basic, a video camera records the focus group's discussion, and the picture is sent over ISDN lines to a monitor watched by the client's executives. Although they are not on-site, with videoconferencing, remote viewers still may be able to communicate with moderators by audio or video dur-

ing or after the session.

Internet video streaming is much more an option with the widespread deployment of broadband technology. The picture's infamous herky-jerky qualities are largely eliminated, although the size of the picture—seen via computer software such as Microsoft Windows Media Player or Real Player—is only about 4 inches square. Also, remote viewers typically can communicate with the moderator only via two-way text chat.

Whereas videoconferencing can accommodate a potentially unlimited number of viewers, Net video streaming can be viewed by a maximum of 15 to 20 viewers logged in at one time. But the biggest disadvantage of videoconferencing—and one of Net video streaming's strengths—is geography; videoconferencing has to happen at a specially equipped facility (that usually is stationary), but Net video can be observed from any computer with a broadband network. (This advantage usually disappears when the researchers are on the road; broadband Internet connections still are rare in most hotel rooms and airports, and in those cases executives can only access the session's audio.)

The Internet option also lets researchers review the focus group sessions online at any time without the need for videotapes and VCRs, important advantages that even long-time purveyors of videoconferencing services cannot ignore.

"FocusVision is not going to bet against the Internet," Houlahan says.

So far, that seems like a smart move. David Nelems, president of ActiveGroup Inc., a Norcross, Ga.-based provider of webcasting services through a network of 150 independent focus group facilities (mostly in the United States), says his company started up three years ago and saw revenues of only about \$5,000 in 1999. That rose to \$350,000 in 2000 and \$1 million from Internet video streaming in 2001.

"We're on track to do twice that this year," Nelems says.

Meanwhile, Trenton Haack, senior qualitative specialist at Burke Inc., a research firm based in Cincinnati, says, "I encourage video

RANDOM SAMPLING

Corporate Web sites score low marks on public relations efforts, often failing to provide company information most valuable to journalists, according to a new study from the Nielsen Norman Group, a Fremont, Calif.-based design and usability consultancy. The study, "Designing Web Sites to Maximize Press Relations," in part analyzed how successful 20 reporters were at using 10 selected Web sites to find information they would need to write a story, including company financials, management profiles, social responsibility information and a press contact. On average, the reporters were only able to complete 60% of the simple tasks, and "more disturbing still," the study authors report, "is that the task journalists were least successful at is the one they cite as the most important reason that they use a company's Web site: to find a press con-



tact and telephone number." The 10 participating Web sites ranged from large U.S. and multinational companies to high-tech startups and a government agency.

Journalists' rate of success, on average, using Web sites to find information about:

- Company financials: 60%
- Social responsibility: 57.9%
- Management: 65.8%
- PR contact telephone number: 55.3%

Source: Nielsen Norman Group

streaming over videoconferencing, mainly because of cost and it's more accessible. You don't have to go to a particular location (where a videoconferencing unit is located) to view the session."

But, Houlahan points out, traditional videoconferencing is growing about 35% a year in terms of the number of focus groups broadcast, and still commands 85% of the market. (FocusVision offers both types of video broadcast options through an international network of 242 independent focus group facilities.)

Houlahan does not see Internet video streaming replacing videoconferencing altogether, because conferencing still offers superior picture size and quality, and because most marketing research firms and in-house research departments have invested in expensive videoconferencing equipment for their offices over the past decade. The units, which include a 27-inch to 32-inch monitor and a video camera, as well as a connection to the ISDN lines, cost between \$10,000 and \$20,000, down from \$50,000 to \$70,000 a decade ago.

But Nelems contends the Net method will become the preferred method among qualitative marketing researchers. "I think it (webcasting) will overtake videoconferencing. It will continue to be cheaper because it doesn't require all the expensive equipment," he says.

The cost of Internet video streaming for a single, two-hour focus group session ranges from about \$600 to \$950, depending on the focus group facility and video broadcast service provider, while traditional videoconferencing fees can range anywhere from \$575 to

\$1,250 for a single two-hour session, assuming the researcher already owns the necessary videoconferencing unit to view the broadcast.

In addition, the researcher will pay phone line charges for each videoconference—billed separately by their ISDN provider—which can range anywhere from \$30 to more than \$100 for a two-hour session. No phone line charges, such as long distance or ISDN fees, are associated with Internet streaming video broadcasts, although monthly broadband ISP fees for businesses are about \$1,000 a month, or \$50 for home office hookups.

On the matter of geography, Haack points out that many qualitative research clients do not have the videoconferencing viewing units in their own offices, forcing them to either travel to the focus group site, view the videoconference at their research firm's offices, or wait for a tape. Clients could simply log in to a session broadcast live via Internet from their home laptop or office PC (provided they have a broadband connection).

"Burke has a videoconferencing unit in our office, but that doesn't necessarily serve our clients," Haack says.

Finally, despite the continued growth of both technologies, Haack says qualitative research executives should not let the bells and whistles lure them into taking a pass on having at least one person attend all their focus groups.

"I don't care how energetic the group is; when you're not there live, you just kind of lose something," Haack says. "I'd say if the focus group is really important to you, be there in person." ■

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