



## Developing Your Local Economy: Consumer Opinion Survey Using Consumer Panels

*Don Stebbins and Norman Whitehorn\**

A well-developed, prosperous retail trade and service sector is an essential part of a healthy community economy. Dissatisfied consumers will spend their money in other trade areas. Therefore, it is vital that a community's business leaders be aware of possibilities for creating a more satisfying shopping experience.

All out-of-town shopping cannot be stopped, but it usually can be reduced by making adjustments within the business community. This survey procedure uses panels of consumers to estimate how much out-of-town shopping is occurring, why consumers leave town to buy and what changes are necessary to increase local spending.

*All out-of-town shopping cannot be stopped, but it usually can be reduced by making adjustments within the business community.*

The advantages of using consumer panels to gather this type of information are that the technique allows consumers to express themselves in their own words and relate experiences that were instrumental in forming their opinions about local businesses. In addition, the interaction among panel members, as they support or disagree with one another, leads to frequent clarification and elaboration providing further insight which cannot be obtained in other ways. Because consumers are not randomly selected and may not be representative of the total consumer population, this type of survey is not statistically valid. If

statistical validity is an important consideration, another survey technique is required.

The main purpose of the survey is to assist local businesses and community leaders develop strategies to strengthen the local retail

*...key information is always: (1) why are some residents shopping out-of-town? (2) how much agreement and disagreement is there with reasons given for out-of-town shopping? and (3) what changes can the local retail trade and service sector make to increase local shopping?*

trade and service sector as part of a broader economic development plan. Although the survey can be used to analyze a neighborhood trade area in a larger city, most previous surveys have been conducted in cities of 25,000 or less.

The following explanation is divided into two sections: (1) guidelines related to the roles of the participants and (2) an identification of the steps required to organize and conduct the survey.

### Participants in a Consumer Opinion Survey

#### *The Sponsor*

A community organization needs to act as sponsor. Typically, a chamber of commerce, retail merchants association or similar organization with strong interest in the retail trade and service sector fills this role. A necessary condition is that the sponsor is respected by the business community and can ensure support.

\* Extension community development specialists, Texas Agricultural Extension Service, The Texas A&M University System.

12-15-87  
Kw 1,500

The sponsor will be responsible for the following:

- Legitimize the survey to community residents and businesses. Businesses should not feel threatened—they have to be convinced that the survey will be done professionally, sensitive findings will be handled with tact and that the sponsor is conducting the survey with the business community's best interests in mind. Consumers need to feel their input is valued and the survey is a useful project from their perspective.
- Identify and recruit consumers to be on the panels.
- Provide logistical support for the survey. The sponsor is responsible for making meeting site arrangements and soliciting questions from businesses.
- Arrange for the distribution of survey results. Most sponsors know what they want to do with the results prior to planning a survey. If not, the decision must be part of planning. Alternatives include a public meeting, private conferences between business owners/managers and the interviewer, retention by the sponsor or some combination of these possibilities.

### *The Consumer Panels*

Consumers are the most important participants in the survey. Their cooperation, experiences, perceptions and candidness are critical to the success of the project. Four to seven panels are normally used. Each panel consists of approximately 10 discussants. While everyone is a potential panel member, practical experience indicates that women are often more knowledgeable and candid about their family's buying decisions. The following panels are recommended (Panels 1, 2, 3 and one other will be sufficient for many surveys):

1. A panel of newcomers who have lived in town between 1 and 3 years;
2. A panel of longer-term residents who have lived in town 5 years or longer;
3. A panel from the surrounding rural area who are well within the trade area but not immediately adjacent to town (to discuss family spending decisions of rural residents);
4. A panel of farmers and ranchers (to discuss business spending decisions);
5. A panel of teenagers;
6. A panel of ethnic and racial minorities;
7. A panel of low-income consumers, and
8. A panel of retired persons.

### *The Interviewer*

The interviewer serves as discussion moderator and facilitator for each consumer panel. He or she has the responsibility of compiling a report and distributing the results.

Selecting a professional, confidential, tactful, knowledgeable person who has the confidence of the business community and consumers is obviously very important. Occasionally it is necessary, especially in smaller communities,

to recruit an interviewer from outside the trade area. A local person may be capable but known by too many people with an interest in the survey to get objective information.

## Steps In Organizing and Conducting the Survey

**Step One: Plan It Well** A planning meeting conducted by the sponsor is required. All persons expected to have responsibility in organizing, conducting and reporting should attend. Therefore, the interviewer will have to be identified before the meeting.

The enclosed Planning Guide will assist in assigning tasks, setting deadlines and making decisions about reporting and the composition of consumer panels. Sponsors should use this or a similar guide to minimize chances that an important step will be omitted. When complete, the guide will help with all of the remaining steps and a copy should be given to everyone who has a responsibility.

**Step Two: Inform the Community and Solicit Questions** Informing the business community and general public provides an opportunity to minimize concern about and opposition to the survey. If possible, a meeting of interested businesses should be held to explain the survey and answer questions.

A very useful option that should be offered to businesses is to submit one or two *confidential questions about their business — answers will be given in a private conference* between the owner/manager and interviewer. A procedure to collect these questions needs to be established. Most businesses will not submit questions but those who have during previous surveys received excellent, candid answers and were pleased that they accepted the offer.

Consumers can be informed through the media. Ideally, a series of news releases about why the survey is being conducted, the importance of consumer input, the survey procedure and related topics can be developed and distributed. The purposes of this exposure are to enhance public support and induce consumers to accept invitations to participate.

**Step Three: Recruit Consumer Panels and Arrange for Facilities** During the planning meeting the number and composition of consumer panels will have been identified. Careful attention must

be paid to selecting discussants who are as representative as possible of the total consumer population (including minorities, low-income consumers and retirees if they are not on separate panels). Business owners and managers, their key employees and their family members cannot be panel members. Individuals known to be unusually dominant or who in some way might intimidate or upset other panel members are poor choices.

Potential panel members should be contacted about a month prior to the interview and, if they accept, told that they will be part of a small group discussion lasting about 2 hours; that the discussion will be tape recorded; and that their identity will be kept confidential by the sponsor and interviewer. A typical day of interviewing will have sessions scheduled approximately 4 hours apart; evening sessions are required to accommodate persons who work during the day. Written confirmation shortly after the discussants accept and a telephone reminder the day before the discussion are essential to increase participation. Meeting sites can be reserved at the same time as people are being recruited. The sites need to be quiet, convenient and comfortable with parking and restroom facilities. The panel members should be seated at a table.

**Step Four: Conduct the Interviews** The discussions will be tape recorded. To overcome initial uncertainty by panel members about what is expected and how to proceed, the interviewer should spend sufficient time thoroughly explaining the procedure and establishing ground rules. In addition, he or she should ensure confidentiality (and that all members agree to keep identities and comments confidential) and, in general, create an environment in which the discussants are prepared to proceed.

An effective way to begin gathering information is with a brief written questionnaire (without recording). The written questionnaire does three things: (1) focuses the attention of panel members on the subject, (2) provides the interviewer with enough initial information to effectively direct the discussion on out-of-town spending and (3) provides information for the survey report. A Pre-Discussion Questionnaire that has been successfully used is included.

After the questionnaire is completed, the tape recorder should be turned on. Questionnaire answers can be used to get the discussion started. For example, if a particular consumer

indicates that his or her family buys an unusually large proportion of their food out-of-town, the discussion about food purchases may begin with that person. Once the discussion starts, panel members usually learn the procedure quickly and little prodding is required by the interviewer. Two hours is insufficient to cover all items and let the panel members relate all their experiences. Therefore, the interviewer has to make a determined effort to minimize excessive digressions and ensure that every member has an equal opportunity to express his or her opinions. Also, since the tape recorder cannot detect nonverbal responses, the interviewer should be attuned to signals from panel members that lead to additional questioning and further insight.

Specific questions will be asked in a variety of ways but the key information is always: (1) why are some residents shopping out-of-town? (2) do consumers agree or disagree with reasons given for out-of-town shopping? and (3) what changes can the retail trade and service sector make to increase local shopping?

Near the end of the allotted time, questions submitted by individual businesses need to be asked. In addition, the following may be asked:

- If you could add, delete or change a couple of things in this community, what would they be?
- What new businesses do you think the community needs?
- If there were an employee- or owner-of-the-year award for someone who does an outstanding job of serving you, whom would you nominate?
- Newcomers may be asked, "How was your reception to the community? Were people friendly? Did you experience any difficulties becoming part of the community?"

**Step Five: Analyze the Comments** If extensive conferring with individual businesses is part of the planned reporting procedure, some interviewers prefer to have all tapes transcribed into a written transcript. Given that the tapes will have 8 to 14 hours of information from 25 to 70 discussants, transcribing is a time-consuming, expensive job. An alternative that has been successfully used is to make the analysis directly from the tapes. Interviewers who have used this latter approach believe that listening to the tapes shortly after the interview session better recalls the seriousness of the points being made and the nonverbal communications accompanying the discussion.

Analysis identifies areas of agreement within and among groups and focuses on their images of the following:

*The Selection Available:*

Are there important products or services that are unavailable locally? Is the available selection broad enough (style, price ranges, sizes, color, etc.) to meet most consumers' needs? What recommendations do the consumers have about selection?

*Prices and Quality:*

Are prices perceived to be in line with the quality of goods and services provided locally? Do consumers feel local businesses need to be more competitive with other shopping areas? (Most consumers recognize that prices may have to be higher in small markets but have different perceptions of what is fair.)

*Service:*

Do local businesses stand behind their products or services better than out-of-town merchants? (Perceptions about price and service are usually related. Consumers may be willing to pay higher prices if they are assured better service. If local businesses cannot match out-of-town prices, they have to offer better service to retain customers.)

*Personnel:*

Are owners/managers and their employees helpful, friendly and professional? Do they know the product or service being sold? Are their sales and other skills adequate? Are they too aggressive or do customers get ignored when they enter an establishment?

*Miscellaneous:*

Includes comments, answers and suggestions that cannot be classified in other categories.

**Step Six: Reporting the Results** During the inception and planning stages, decisions about reporting the results will have been made. One possibility is submitting a written report to the sponsor. The sponsor, in turn, controls the distribution of results to the media and business community. This procedure is appropriate if the results are primarily used for internal planning purposes by the sponsor. An example written report from a recent survey is available from the authors (call 409-845-2340).

An alternative is for the sponsor to arrange a public meeting at which the interviewer gives

a report. Sponsors who wish to maximize the visibility and publicity associated with the survey prefer this procedure. Since specific comments by consumers are often very candid and directed at identifiable businesses and individuals, the interviewer must be very tactful in planning and conducting this meeting.

Interviewers who have given public reports from past surveys have found it effective and convenient to organize their presentation as follows:

- Explain how the study was conducted, the guarantee of anonymity, the number and composition of panels (no names), how many people were in the households of the discussants, what percentage of their spending was out-of-town, the purpose of the survey, how a healthy retail trade and service sector is vital to the overall economic health of the community and so forth. Point out that the survey is not statistically valid because the discussants were not randomly selected. The results may not adequately represent all consumers.
- Explain the reporting procedure(s).
- Recognize that what consumers said may or may not be true, but it is what they believe and the basis for their buying decisions. The purpose of this meeting is to present the customers' opinions—businesses have to decide what to do with the information.
- Fit the comments into the concept of a "package" of shopping decisions. While every business is independent, consumer satisfaction or dissatisfaction with the total package available often determines where customers shop.
- Briefly discuss customer loyalty to the community.
- Explain how the business community rated (+ or -) on the key items: selection, prices and quality, service and personnel.
- Using types of goods and services (e.g., clothing, food, etc.), provide as much insight about consumer opinions as can be tactfully presented. Do not mention businesses by name. Given the way the survey is conducted, many comments will be critical of the businesses. It is tempting to offset the negative nature of the comments by identifying businesses that are doing exceptionally well; this probably should be avoided because it can lead to hard feelings by competitors not mentioned.

In a small town, reference to one type of good or service identifies a certain store. This creates a problem in a general meeting. The interviewer has to choose words with care and sometimes modify or make an explanation such as "... it is very difficult to provide what these consumers were asking for. However, there may be some opportunities that have been overlooked and would be worth exploring." If businesses submitted individual questions to the consumer panels, the final step in reporting is for the interviewer to make an appointment with each business and give the responses at a private conference.

*Educational programs conducted by the Texas Agricultural Extension Service serve people of all ages regardless of socioeconomic level, race, color, sex, religion, handicap or national origin.*

Issued in furtherance of Cooperative Extension Work in Agriculture and Home Economics, Acts of Congress of May 8, 1914, as amended, and June 30, 1914, in cooperation with the United States Department of Agriculture. Zerle L. Carpenter, Director, Texas Agricultural Extension Service, The Texas A&M University System.

1.5M—10-87, New

CRD

# Consumer Opinion Survey

## Pre-Discussion Questionnaire

*In order to identify the reasons you and your family shop out-of-town, an estimate of how much you spend elsewhere is needed. Please take a few minutes to complete this brief questionnaire and then we will begin our discussion.*

-----

*How many people in your household?* \_\_\_\_\_

<b>Purchases</b>	<b>Fraction or percentage spent out-of-town for these items (during an average year)</b>
1. Food (to be prepared at home)	_____
2. Women's clothing	_____
3. Men's clothing	_____
4. Children's clothing	_____
5. Eating out in restaurants	_____
6. Items usually found in hardware stores	_____
7. Automobiles (buying)	_____
8. Drug store items	_____
9. Recreation	_____
10. Medical services	_____
11. Furniture and/or appliances	_____

*In which town(s) do you  
most often do your  
out-of-town shopping?*

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_

# Consumer Opinion Survey Planning Guide

## *A. Specific Responsibilities*

Task	When (Deadline)	How	Who
Inform Business Community	_____	_____	_____
Inform Public	_____	_____	_____
Solicit Questions from Businesses	_____	_____	_____
Identify Consumer Panel Members	_____	_____	_____
Recruit Consumer Panels	_____	_____	_____
Arrange for Meeting Sites	_____	_____	_____
Confirm Consumer Participation Just Before Interviews	_____	_____	_____
Interview Consumers	_____	_____	_____
Summarize Findings	_____	_____	_____
Report Results	_____	_____	_____

## *B. Consumer Panels to Be Interviewed (at least four)*

		<i>Site and Date</i>
1. _____	;	_____
2. _____	;	_____
3. _____	;	_____
4. _____	;	_____
5. _____	;	_____
6. _____	;	_____
7. _____	;	_____

## *C. Summary*

	<i>Completion Dates</i>
Questions from Businesses	_____
Recruiting Consumer Panel Members	_____
Interviewing	_____
Reporting Results	_____
To Sponsor	_____
By Public Meeting	_____
Private Meetings	_____