

Frost & Sullivan's Selection of GMI Survey Software:

A case study on selecting web survey software

March, 2007

Table of contents

Background	1
Primary Selection Criteria	2
Panel Software	3
Identification of Potential Vendors	3
Final Candidates	4
Recommendation	6
Software Comparison Table	8

Frost & Sullivan Selection of GMI Survey Software: A case study on selecting web survey software

There are numerous software systems commercially available to conduct online surveys. However, these come in a variety of formats, ranging from desktop applications to server-based systems and ASP tools. They also vary greatly in their sophistication, and many provide a fairly simple system for customer feedback, rather than a full-scale market research tool. To find the appropriate system for each company, many variables must be reviewed.

This paper outlines the process used by Frost & Sullivan to select their software system. Frost & Sullivan is an international market intelligence and research company that required an enterprise-level, ASP-based software system that could be used in a full spectrum of market research work.

Background

The purpose of this paper is to summarize the due diligence review of commercial software systems used to conduct and manage online surveys for market research purposes. For the past two years, Frost & Sullivan's Customer Research Operations (CRO) had been using Net-MR®, the GMI (Global Market Insite, Inc.) market research software tool. In November of 2006, a two year barter agreement concluded with GMI and it presented an opportunity to conduct a broad review of the current market offerings to determine the optimal system for Frost & Sullivan. With the rapid growth of web-based survey methods, numerous solutions have been developed and upgraded in the past two years, making a reconsideration of our software package an appropriate exercise. The overall goal was to identify the best value that balanced the practical needs of F&S with the lowest reasonable cost.

Primary Selection Criteria

Frost & Sullivan's CRO needs are based on a global interview system with staff members located in multiple countries. In addition to our core Operations staff, F&S also utilizes the expertise of other F&S professionals for translations, and requires real-time monitoring of survey results by our research associates and clients. This situation requires that a number of basic criteria must be met for any software system. The primary requirements are:

- The system must be ASP-based. ASP is an Internet-based system that uses externally dedicated web servers operated by the vendor. F&S servers are primarily dedicated to maintaining the very complex frost.com website, which contains over half a million pages of text and constitutes a major client delivery system. The addition of server software for survey purposes is considered an unacceptable risk to the integrity of this website because of the potential of system crashes and the possibility of incurring slow response times. Desktop solutions are also considered inappropriate because of the diversity of users in multiple locations.
- The system must be capable of providing a wide range of languages, including Asian languages,, thus requiring a Unicode or equivalent operating system. The system must also contain a translation system that can be used by translators from within F&S and by outside vendors when needed.
- The system must be an enterprise-level software capable of conducting a large number of simultaneous projects and accommodating multiple users at any given time. The system must also guarantee a down-time level of less than 0.5% per year and provide 24/7 functionality.
- The system must have the capability to seamlessly integrate with other external programming systems. For example, the ability to access a Sawtooth conjoint program in the middle of the survey and then link back to it after completion is critical for many projects.
- The system must be accessible by programmers from remote locations and must permit research associates to access summary statistics anywhere in the world. The cost associated with multiple users is a major consideration in selecting an appropriate system.
- The cost structure must be optimal for F&S needs. This means not only a competitive base pricing, but also minimizing the expense of adding occasional users for translations, survey

progress monitoring, online “dashboard” reporting and “on the fly” real-time data analysis.

- Finally, the system must demonstrate ease of use for programming to reduce programming time, intuitive structure to reduce training issues, and flexibility to meet the proprietary needs of common F&S surveys.

Panel Software

Some software packages included panel management systems. This factor was not taken into consideration for purposes of this review, but rather treated as a separate software issue. However, we did review the panel software operating structure in those systems that offered the services in relationship to our own long term panel needs. None of the software reviewed would have met F&S basic panel needs without extensive customization. Essentially these systems are designed for a single panel operation appropriate for a CRS function, but none offered the dynamic flexibility required for the enterprise level diversity needed by F&S. This reconfirms the 2005 analysis of panel software where it was determined that true commercial panel software had only been developed by competitive sample companies as proprietary systems. We estimate that to meet all of F&S broad panel needs, adapting these systems would cost from \$25,000 to \$75,000 to customize any of the commercially existing packages.

Identification of Potential Vendors

A variety of methods were used to identify potential software vendors:

- Web search to identify commercially advertised software systems
- Review of market research literature
- Recommendations from MR professionals both from within F&S and from other professional colleagues
- Asking potential vendors to identify their major competitors

In total, 24 software systems were given a terse review to determine general feasibility and fit with our primary selection criteria. Of this group, 16 systems were eliminated because:

- Nine were not ASP systems
- Two lacked translation systems
- Three were not enterprise software and were geared towards either academic or CRS use, but were not robust enough for wide-scale market research use
- 2 were rejected immediate because of extraordinarily high cost

In-depth inquiries were made with the remaining 8 systems, all of which met minimal qualifications. However, the cost structures of these systems clearly fell into two distinct categories. The system pricing ranged from \$10,000 to over \$90,000 per year based on our projected annual use. Four systems with base prices over \$20,000 per year were removed from the potential vendor list because of cost factors. This included Conformat, probably the most popular ASP survey system, because their incremental costs and setup fees made them relatively expensive to operate. This is also true for Globalpark, MARSC and Sawtooth. Although these systems do offer various advantages, it was determined that these unique features did not justify the higher costs when compared to F&S normative demands for survey programming. It should be noted that if F&S develop proprietary methodologies in the future, the benefits of customized software development may outweigh these financial considerations.

Final Candidates

The final four candidates were given a full review by the Operations staff, including online webinars and full access to demonstration accounts that permitted us to test some of the more difficult programming issues common to the F&S system. In addition to extensive testing of these systems, references were secured from other private users to determine their level of satisfaction. Finally, negotiations were conducted with each vendor to determine the best price given F&S specific needs, with special consideration for additional licensing that is required within our distributed support system.

The four software systems that were given an intensive review are:

- DatStat
- SPSS

- Perseus
- GMI

Although each of these systems met our minimum requirements, specific aspects of some systems made them less desirable for our operational needs.

1. DatStat currently does not have a system for integrating external software into their survey structure. In response to our needs, DatStat did enter into negotiations with Sawtooth and guaranteed that a modification to their system could be in place early in 2007. However, the critical nature of accessing Sawtooth and other external systems generated concerns, mainly because of startup delays and since we assumed there would be some issues encountered during the beta testing period. In addition, an in-depth trial of the programming software demonstrated notable difficulties dealing with specific question types over the other systems under review. Given these two factors, we gave DatStat a low overall score in our evaluation in terms of functionality.
2. SPSS's "*mrinterview*" system is considered the industry standard and rated superior in all categories of program utility. This is especially true when combined with MR Table and MR Studio for customized development and the obvious compatibility with our SPSS-based data processing system. However, their ASP system has two major drawbacks. First, our translation system is not web-based, but rather a desktop application requiring additional licensing for each user. Since we conduct surveys in a wide variety of languages, we often engage other F&S staff in different countries on an ad hoc basis to provide translations, as well as the occasional commercial vendor. In many cases, these are one-time situations and the need to purchase a license for each case is cost-prohibitive. In addition, the email transmission system (invitations and follow-ups) must be done by SPSS staff rather than being directly operated by our programming staff. This would result in a lack of flexibility in targeted invitations, dependency on an external vendor for this critical function, and potentially unacceptable delays with time sensitive projects. SPSS also requires an additional \$500 fee for each project to execute email functions, which would constitute a major increase in our out-of-pocket expenses. Once these hidden costs were accounted for, the overall expense of the system far exceeded our maximum acceptable level. For these reasons, the SPSS system was not found to be suitable for our needs.
3. The Perseus system proved to be highly dynamic in meeting our programming requirements, along with a high server dependability and response time. Perseus offers unlimited use for a set fee to conduct up to one million surveys per year. This is a highly desirable feature because of the unpredictable number of potential surveys over the year based on unexpected growth that may increase budgeted software costs in other systems. However, Perseus does require additional licensing fees for additional programmers, translators and monitoring

access for research analysts and clients. Although these licenses can be shared by multiple users, the minimum number of additional licenses significantly increased the overall cost of their services.

4. The GMI system is currently used by Frost & Sullivan and its capacities and limitations are well known by the Operations staff. Staff review of the various programming systems showed that GMI's ease-of-use is equal or superior to all other systems that we reviewed. The GMI cost structure is based on a maintenance fee, plus the number of question responses, making cost control more problematic than Perseus. But GMI also offers unlimited number of users without additional licenses fees which offsets the overall cost factors.

GMI also offers two other benefits based on our experience. The cost of outsourcing overflow programming work is lower than other external vendors and has provided very prompt response time. Secondly, GMI has their own server-based Sawtooth system which provides prompt programming at a price comparable to using Sawtooth services directly. Since they are incorporating Sawtooth services directly with their own system, we have encountered no issues with compatibility that could delay projects. The only limitation with this arrangement is that GMI does not have the full suite of Sawtooth packages, just those which are most commonly used. In the event that we need a package they do not have on their server, direct contracting with Sawtooth is necessary.

Recommendation

In terms of utility meeting F&S specific needs, both Perseus and GMI are comparable. But when cost factors are included, GMI is clearly a better choice for our current demands. Some of the highlights are:

- GMI provides a more flexible programming platform that allows many complicated functions to be executed with relative ease.
- GMI is superior in meeting the complex demands of market research work and adaptability to proprietary methodologies.
- GMI software includes unique and valuable features such as "stand alone" programming in Java that is independent of the web. This permits our subcontractors to use these programs within their own CATI systems and utilize predictive dialing and other specialized phone capabilities.

- The GMI system is totally ASP-based and does not require any service or PC-based programs to make it highly functional for staff located in many different units around the world.
- The GMI system easily integrates with other external software systems such as Sawtooth, and provides full technical support for these applications.
- The overall software package has more potential applications, including online interactive forums and panel portals.
- GMI does not charge separately for the number of individual users, which in many cases drastically increased the costs of other software systems.
- For the level of utilization expected for our operations, GMI provides a significantly lower cost structure.

In summary, we find that GMI rated highest in both the quality of the system functions and the most competitive price. For full-scale enterprise level survey software, we find that GMI is clearly the superior product currently on the market.

Software Comparison Table

1 = Meets minimum needs but low functionality
 5 = Meets all current needs with extensive added potential

	<i>DatStat</i>	<i>SPSS</i>	<i>Perseus</i>	<i>GMI</i>
Ease of Programming	3	4	4	4
Flexibility of Programming	3	5	4	4
Customization Capabilities	3	5	4	4
Server Reliability and Response Time	4	5	5	4
Technical Assistance	3	2	5	4
Training	4	3	3	5
Multiple License Required	4	2	3	5
External Software Interface	1	5	4	5
Backup Programming / Consulting	2	2	3	5
Limitation on Usage	3	4	5	4
Email System Utility	4	1	4	5
Translation System	3	1	5	5
Overall Costs	3	0	4	5
Total Score	40	39	53	59
Usage Limits	15K interviews	24K interviews	Unlimited	200K responses
Estimated Annual Cost	\$14,500	\$33,600*	\$13,645	\$9,200

**This price does not include the cost of email transmission services which could be more cost effective if it were replaced by an alternate internal email system.*

Annual costs are based on a 15% increase in usage over 2006 levels:

- 150 online surveys
- 200K individual responses
- Three programmers with full access
- Access for four translators
- Access for six monitors (researchers and clients)