

Exploring a New Establishment Survey Incentive To Improve Response Rates

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Abstract

Obtaining higher response rates to surveys is becoming increasingly difficult. This is happening in both household and establishment surveys. There has been much research focused on exploring the effectiveness of different forms of incentives in household survey, such as cash, gift cards, certificates etc. and the ‘optimum’ amount of the incentive. In practice, we have found that these incentives are not as effective for establishment surveys as they are for household surveys. We have experimented with a new incentive to boost the response rate of establishment surveys – providing an individual benchmark survey report to each participating establishment. The benchmark report shows how an individual company’s responses compare to the overall responses.

To evaluate the effectiveness of this method we first compared the response rates from establishment surveys with and without benchmark incentive reports. Secondly, we compared the response from those who indicated they would like to receive the benchmark survey report to those who did not indicate a desire for a report but completed the survey.

Key Words: Establishment survey, Incentive, Benchmark Report

Obtaining higher response rates to surveys is becoming increasingly difficult. This is especially true for establishment surveys that seek sales, financial data or other highly sensitive data. Unlike many U. S Government Economic surveys, where businesses are mandated to participate and complete the survey, establishment surveys conducted by the private sector are often challenged by low response rates. In this paper, we propose a new method we found to be effective in boosting response rates -- offering the respondent/establishment a benchmark report. In the paper, we will first review the existing methods that are used to help the response rate, and how they fit into the establishment setting. We then present our hypotheses on the effect of benchmark reports,

followed by the results of studies from our practice. Next, we will review the cost of a benchmark report from our own experiences. Finally, recommendations and discussions will be provided. Much of our study is qualitative rather than quantitative.

1. Respondent Response Pattern and Incentive Related Theory

Incentives are probably one of the most used approaches to improve the response rate. Study has shown that the use of incentives is the second most effective way next to multiple-contact to boost response rates (Dillman, 2000). When talking about incentives, most of the studies have focused on monetary incentives, though in different forms, such as cash, gift cards, and certificates. Studies have consistently shown that monetary incentives are effective in boosting response rates, and do not negatively affect response quality (Yammarino, Skinner, and Childers, 1991). However, almost all those studies were conducted in a household survey setting, in which respondents were answering questions for an individual or family member. Most surveys we conduct are establishment surveys. Our observation from the practice seems to suggest that the monetary incentive is not as effective in establishment surveys as in household surveys. There are occasions that respondents not only returned the money, but also sent feedback that they felt somewhat insulted or uncomfortable in accepting the incentive.

In an effort to identify an effective approach to boost response rates in establishment surveys, we took one step back to try to understand the theories of why a monetary incentive is generally effective in household surveys. One widely used theory is social exchange theory (Dillman, 2000). Dillman states that respondents feel a sense of social obligation after receiving an incentive. Can this be used to explain establishment survey respondent behavior? We first describe what are some of the differences between household survey respondents and establishment survey respondents.

First, unlike in household surveys, the appropriate establishment survey respondent is not always known or easy to determine prior to the survey. For example, in a survey of Chief Development Officers (CDO) we recently conducted, there is a CDO title for some companies; for other companies, the CDO job is performed by a vice president. Therefore, it is hard to determine who is the best person to answer the survey questions, and to whom to send the incentive.

Second, the person who answers the survey may not be the original recipient of the monetary incentive. Therefore, no direct social exchange link can be established. Often times when an establishment survey respondent complies to a survey request, it may not be his/her choice. It could be that he or she was assigned to complete the survey by an upper level manager within the establishment. If that is the case, incentives sent to a specific person will not yield much positive effect.

Third, we have observed that sending a monetary incentive may break certain organizations' rules. Employees are often asked not to take monetary award unless approved.

To summarize, by comparing the respondents' behavior, it seems that a small monetary incentive is unlikely to trigger a sense of obligation to respond in establishment surveys. However, we did observe another channel of exchange in establishments. As summarized in Edward & Cantor's paper (Edward & Cantor, 1991), for establishments, the decision to participate in a survey is less likely to be out of personal motivation, but more likely to involve some calculation of the potential benefit to the establishment against the cost, including time and money, and potential risk of completing the survey. Thus, the exchange channel we discovered is that establishments exchange their time and input to a survey with something that will benefit the organization.

Since many of our establishment surveys ask how an establishment does a certain practice and what do they think of the issues in that practice, we often hear is that the establishment wants to know if the practices they follow are in line with industry trends, how they can do better, and what things they may have neglected. In other words, they want to be able to benchmark their own

practice to the overall industry or a specific sector. To respond to this need, offering a benchmark report as an incentive to motivate our potential respondents to participate and complete the survey seems right on target. To measure the effectiveness of this method, we reviewed recent surveys, and tried to determine whether offering a benchmark report helped to improve the response rate, and whether offering the benchmark report created any bias in responses?

2. Our Study

Question 1: Does offering a benchmark report improve the response rate?

To answer this question, we reviewed some recent establishment surveys, in which we offered a benchmark report to respondents at the time of the survey. Baldauf et al states that a return rate of 15 percent is acceptable in an establishment survey. In general, despite the poor response rate pattern establishment surveys often share, we were satisfied with our survey results. Here are two examples:

Example 1, A survey of tax executives

This was a telephone survey conducted among tax executives in large revenue companies. The sampling frame was built using the Fortune 500, Forbes and a few other lists. Our client was able to identify the correct contact person before the phone calls were made. In the questionnaire, we asked questions about potential tax risk issues and concerns challenging Tax Directors in the new tax environment. The survey was about 20 to 30 minutes long. We promised potential respondents that they would be able to receive a summary report upon their completion of the survey. The final response rate for the survey was 29.3 percent, which was a rather high response rate for a telephone establishment survey of this nature.

Example 2, An annual survey about global information security issues.

This annual survey has been conducted since 1998. In the survey, we asked executives in leading organizations how they perceive global information security issues, and what programs they have in place to prevent information security related accidents, etc. We started to introduce the benchmark report in the 2003 survey. We immediately observed a jump in the number of respondents, from over 400 in 2002 to

over 1,400 in 2003. We had over 1,200 respondents in 2004¹.

It is hard to compare the response rates across different surveys without an experimental setting, because each survey is very different in terms of survey topic, survey mode and other important dynamics. While we cannot quantify the positive effect of the benchmark report on response rate, we have observed a positive impact.

Question 2: Does offering a benchmark report create any bias?

A benchmark report has been observed to have a positive effect on the response rate. The next step is to investigate whether it has any negative effect on the quality of the response. To examine this subject, we looked at the 2004 Global Information Security Survey.

As we mentioned early, this survey was part of an annual survey on global information security. The survey is conducted each year among executives within leading global organizations, governments, and non-profit agencies each year. With a target frame specified, a survey was sent to our designated Ernst & Young professionals in each country. To control the possible measurement error, guidelines on how to conduct an interview were sent along with the final survey instrument. In 2004, the data collection period was between February and June of 2004. The respondents were pre-identified and pre-contacted. Most are Chief Information Officers (CIOs) or Chief Information Security Officers (CISOs) within the organizations. In most cases, a face-to-face mode was used. If a face-to-face interview was not possible, the survey was delivered via internet. Overall more than 1,230 organization representing 51 countries participated in 2004.

Respondents were told beforehand that by participating in the survey, they would be eligible to receive a benchmark report. In addition, a question was asked at the end: *“Would you like to receive a benchmark report showing your Global Information Security*

¹ For this survey, because the clients send out the surveys in different countries, it is hard to track how many total they send out originally. Therefore, we are not able to calculate a response rate.

Survey 2004 responses?” About 26 percent of respondents did not answer this question. Among those who responded, 80 percent chose yes, and 20 percent said no. The table below shows the average responses by groups who requested a benchmark report or not, and the average responses of all respondents.

Table 1. Average responses on the attitudinal questions by different groups.

Attitudinal Questions (All have a 5-point Likert Scale)	Would like to receive a benchmark report?		Overall (n=1232)
	Yes (n=176)	No (n=740)	
Q9	1.41	1.42	1.41
Q10	1.99	1.96	1.97
Q12_1	3.45	3.39	3.47
Q12_2	3.62	3.59	3.61
Q12_3	3.37	3.21	3.33
Q16	2.92	2.93	2.92
Q20_1	3.51	3.57	3.54
Q20_2	3.49	3.39	3.48
Q20_3	3.44	3.46	3.44
Q20_4	3.55	3.58	3.53
Q20_5	3.33	3.51	3.37
Q20_6	3.55	3.70	3.60
Q21_1	4.17	4.12	4.16
Q21_2	3.92	3.86	3.89
Q21_3	3.30	3.43	3.33
Q21_4	3.74	3.68	3.70
Q21_5	3.94	3.97	3.97
Q21_6	3.79	3.83	3.81
Q22_1	3.39	3.40	3.42
Q22_2	3.61	3.75	3.66
Q22_3	3.53	3.52	3.53
Q22_4	3.36	3.46	3.38

Note: For each question, none of the scores shown above were significantly different (chi-squares are all>.1).

Our analysis suggests that there is no significant difference between responses from establishments requesting a benchmark report versus establishments that did not request a benchmark report.

3. Cost of Creating a Benchmark Report

Of course, there is always a cost associated with creating a benchmark report. If the cost of creating a benchmark report exceeds the benefit of doing it, no matter how a benchmark reports helps response rates and response quality, it will

not be a realistic idea to create a benchmark report.

The cost of creating a benchmark report varies depending on the format of the report. It can be just a report of overall survey results sent to the respondents, so that they can see how they compare to the aggregated results. This format is virtually free from the standpoint of the survey organization, because an overall survey report is a necessary output from a survey. The only cost associated with this format is the printing and mailing cost. If it is a customized benchmark report where we display the individual response against overall responses within an industry or a sector, the cost can range from low to high, depending on how detailed is the information. With the help of various software programs, a standard template can be built and applied to all individual reports. Our experience indicates that the cost of a benchmark report is trivial compared to the cost of a complete survey.

Therefore, considering the cost and benefit, we think that offering a benchmark report in establishment surveys is economically worthwhile.

4. Discussion

This study is motivated by the challenges we face in our day-to-day practice. In our practice, we are often asked by our clients, to collect information on sales, revenues and other financial information from establishments to understand industry trends and discover best practices. While a survey is a necessary and useful tool in many cases, we are often limited by budget constraint, and respondents' unwillingness to respond to a survey request. In a continuing effort to improve response rates, we found that cash incentives or other monetary incentives made little contribution to increase the response rate in establishment surveys. Instead, offering a benchmark report was very effective. This may be attributed to the fact that offering a benchmark report correctly corresponds to establishment respondents' needs, therefore effectively motivating them to complete the survey.

However, it is important to note that our findings are based on a very small number of studies. In addition, pre-contacts were used in all the examples we cited in this article. Therefore, it is

hard to distinguish the effects of the benchmark report from the pre-contact.

As a next step, we hope to design an experiment, where half of the samples are randomly selected and offered the opportunity to receive the benchmark reports, and the other half are not offered the report. We would be able to compare their response rates and their responses to confirm if the benchmark incentive has any positive effect and if it creates response bias in an experimental setting.

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