VARYING THE MONETARY INCENTIVE IN MAIL SURVEYS: (1) DOES IT CHANGE SURVEY RESULTS? (2) CAN IT CREATE SAMPLE IMPROVEMENT OPPORTUNITIES?

Walter McCullough, Mendelsohn Media Research

THE MONETARY INCENTIVE TEST

- A two-cell live test compared the use of a $5 cash incentive to a $10 cash incentive.
- The test was conducted as part of the Year 2000 Mendelsohn Affluent Survey where 33,600 households received a packet with a new $5 bill and 8,400 households received a packet with a new $10 bill.
- All details of the two cells were identical except for the incentive.

DEMOGRAPHIC COMPARISONS BETWEEN RECIPIENTS OF $5 AND $10 INCENTIVES

- Gender
- Age
- Marital Status
- Household Income
- Household Asset Value
- Education
- Employment Status
- Occupation
- Region
- # of Adults In Household
- # of Children in Household
- Household Composition

Age/Gender Differences Between Recipients of $5 and $10 Incentives

	Incentive		
	$5	**$10**	
Base: Total Respondents	**(9,748)**	**(2,805)**	**Diff.**
	%	%	%
Men	**72**	**72**	**± 0**
18 to 39 years	11	12	+ 1
40 to 49 years	26	27	+ 1
50 to 64 years	29	28	– 1
65 years or older	6	6	± 0
Median age	49.8	49.3	-0.5
Women	**28**	**28**	**± 0**
18 to 39 years	7	7	± 0
40 to 49 years	11	12	+ 1
50 to 64 years	9	8	– 1
65 years or older	2	1	– 1
Median age	46.5	46.1	-0.4

Marital Status Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Marital Status				
Single	5	4	– 1	
Married	89	90	+ 1	sig.
Divorced,widowed, separated	7	6	– 1	

Household Income Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Household Income				
$75,000 to $99,999	33	33	± 0	
$100,000 to $124,999	25	25	± 0	
$125,000 to $149,999	13	13	± 0	
$150,000 to $199,999	13	13	± 0	
$200,000 to $249,999	5	5	± 0	
$250,000 or more	11	11	± 0	
Median ($000)	116.6	116.9	+0.3	

Total Household Asset Value Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Total Household Asset Value				
Under $500,000	21	21	± 0	
$500,000 to $999,999	38	38	± 0	
$1,000,000 or more	42	41	– 1	

Education Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Education				
High school graduate or less	10	11	+ 1	
Some college	22	22	± 0	
College degree	32	33	+ 1	
Postgraduate study or degree	36	35	– 1	

Employment Status Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Employment Status				
Total employed	85	86	+ 1	
Employed full-time	80	80	± 0	
Employed part-time	6	6	± 0	
Not currently employed	5	6	+ 1	
Retired	9	8	– 1	

Occupational Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Occupation				
Professional/managerial	62	62	± 0	
Executive,managerial, administrative	33	32	– 1	
Professional	30	31	+ 1	

Regional Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
Region				
Northeast	21	20	– 1	
Midwest	25	26	+ 1	
South	31	30	– 1	
West	24	23	– 1	

Household Size Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5	$10		
Base: Total Respondents	(9,748)	(2,805)	Diff.	
	%	%	%	
# of Adults in Household				
One	4	4	± 0	
Two	69	68	– 1	
Three or more	27	29	+ 2	sig.
# of Children in Household				
One	18	18	± 0	
Two	20	21	+ 1	
Three or more	10	10	± 0	

Household Composition Differences Between Recipients of $5 and $10 Incentives

	Incentive			
	$5 (9,748) %	$10 (2,805) %	Diff. %	
Presence of Children in Household				
Any children under age 6	17	15	– 2	
Any children age 6-11	21	22	+ 1	
Any children age 12-17	27	29	+ 2	sig.

BEHAVIORAL DIFFERENCES BETWEEN RECIPIENTS OF $5 AND $10 INCENTIVES

- Of 66 behavioral and marketing variables analyzed, differences between recipients of $5 vs. $10 incentives ranged from –3.1 to +2.8, and 45% were between –0.5 and + 0.5.
- Three of the differences were statistically significant (95% level). That is the expected number of differences based on conducting 66 significance tests (66 X 0.05 = 3)

CABLE TV VIEWING DIFFERENCES BETWEEN RECIPIENTS OF $5 AND $10 INCENTIVES

- Of 47 cable TV network stations measured, viewing level differences between recipients of $5 vs. $10 incentives ranged from –1.2 to +2.2, and 55% were between –0.5 and + 0.5.
- Three of the differences were statistically significant (95% level). This compares to an expectation of two significant differences based on chance alone.

PUBLICATION READERSHIP DIFFERENCES BETWEEN RECIPIENTS OF $5 AND $10 INCENTIVES

- Of 109 publications measured, readership level differences (read 1+ issues) between recipients of $5 vs. $10 incentives ranged from –1.5 to +1.2, and 83% were between –0.5 and + 0.5.
- Four differences were statistically significant (95% level). That is fewer than the expected number of differences based on 109 tests (109 X 0.05 = 5).

DOES VARYING THE MONETARY INCENTIVE CHANGE MAIL SURVEY RESULTS?

Answer: NO. While a higher-value incentive yields a higher response rate, it does not appear to change survey results.

At least not for the monetary amounts tested for the task required in this survey (completion of a 16-page questionnaire).

CAN VARYING THE MONETARY INCENTIVE CREATE OPPORTUNITIES FOR SAMPLE IMPROVEMENT?

APPROACH:

- Look at response levels among various demographic groups that can be identified before the mailing.
- Find one or more demographic groups that have been historically underrepresented and increase the level of higher-value incentives to that group.

MODIFIED APPROACH:

- If the incentive budget is fixed, find a demographic where one group has been historically underrepresented and where a second group within that same demographic has not shown a substantive differential response based on the value of the incentive.
- Eliminate the higher incentive level from the second group in order to increase the number of higher incentives to the underrepresented group.

$75,000+ HHI RESPONSE LEVELS AMONG RECIPIENTS OF $5 AND $10 INCENTIVES

	Incentive		
	$5 %	$10 %	Diff. %
Predicted Age of $75,000+ HHI Responders			
18 to 39 years	28	32	+ 4 ← Traditionally low response group
40 to 64 years	33	38	+ 5
65 years or older	30	30	± 0 ← No difference

Based on total deliverables to each age group

VARYING THE MONETARY INCENTIVE AMONG AGE GROUPINGS

- The 18-39 year old age group had historically been underrepresented in our unweighted sample.
- Among the 65 years or older age group, the $75M+ response level did not vary with the value of the incentive ($5 vs. $10).
- In the 2001 Mendelsohn Affluent Survey, we took advantage of this history by shifting to the 18-39 year olds all the $10 incentives that would have been given to the 65+ year olds.

RESULTS OF VARYING THE MONETARY INCENTIVE AMONG AGE GROUPINGS

	Affluent Survey		
Base: Total Respondents	**Year 2000 (12,650) %**	**Year 2001 (11,635) %**	**Diff. %**
Age of $75,000+ HHI Responders			
18 to 39 years	18	22	+ 4
40 to 64 years	74	71	– 3
65 years or older	8	7	– 1

CONCLUSIONS

- Using a $10 incentive rather than a $5 incentive in a mail survey will increase your response rate without changing the survey results.
- A higher monetary incentive can sometimes be used to selectively enhance response rates from traditionally under-responding groups.