

ATTACHMENT 11

SAMHSA/CSAP UNDERAGE DRINKING PREVENTION NATIONAL MEDIA CAMPAIGN

SUMMARY OF COSTS AND ISSUES RELATED TO \$30 GIFT CARD INCENTIVE FOR FOCUS GROUP PARTICIPATION (FROM PHASE ONE FOCUS GROUPS)

This provides a response to OMB's request for information on the effect of using a \$30 gift card as an incentive for focus group participation, rather than the industry standard \$50 - \$75 check.

ISSUE	ADDITIONAL COSTS AND/OR LOSS OF TIME OR QUALITY
GIFT CARD VS. CHECK	
<ul style="list-style-type: none"> \$30 is not an available amount for pre-existing gift cards (e.g. nationally-available credit cards such as VISA, American Express, etc.) The Contractor staff first searched extensively for \$30 cards but found nothing, except for cards that require shopping at a particular store. The Contractor staff then contacted numerous personnel at various credit card companies and banks issuing credit cards for \$30 gift cards, but found no corporation willing to create the \$30 denomination without fees (\$5 per card or more). 	<p><i>Additional labor hours: approximately 10</i></p> <p>Cost of 10 labor hours = \$1,411.31</p> <p><i>Based on:</i> \$ 56.96 average basic hourly rate + 94.7% Overhead & Fringe Benefits +18.8% General & Administrative charge +3% Base fee 3% +4% Performance fee \$ 141.13 Fully loaded average labor hour</p>
<ul style="list-style-type: none"> The only option the Contractor could identify to obtain \$30 gift cards was to purchase them through the Contractor's credit union, which created VISA gift cards for a fee of \$3.50 per card. 	<p><i>Additional direct cost to project for 96 cards (8 cards for 12 groups):</i></p> <p>\$336</p>
LOW RESPONSE TO RECRUITING	
<ul style="list-style-type: none"> The Contractor solicited three vendor bids to recruit for the focus groups. Each vendor warned that \$30 was well below industry standard to incentivize people to participate, and expressed concern that participation would be below normal. 	

ISSUE	ADDITIONAL COSTS AND/OR LOSS OF TIME OR QUALITY
LOW REPOSENSE TO RECRUITING (continued)	
<ul style="list-style-type: none"> The firm the Contractor selected (with whom the Contractor has a long record of prior success) experienced an unprecedented “burn rate,” meaning their outbound call center burned through the entire list of potential participants (the “sample”) without being able to fill the groups on schedule. The firm resorted to advertising for participants and provided lists for 10 groups; the Contractor’s quality control procedures detected this sub-standard practice, and terminated the contract. 	<p><i>Time lost to the project schedule: three weeks</i></p> <p><i>Additional labor hours approximately 65, spread across 5 Contractor staff members: 2 project team; one research counsel; 2 operations staff</i></p> <p>Cost of 65 labor hours: \$9,173.53</p>
<ul style="list-style-type: none"> The Contractor re-bid the project and selected another recruiting firm, allowing an unusual 5-call recruiting protocol, which required: <ul style="list-style-type: none"> discarding the results of 8 groups and conducting 8 new groups purchasing a much larger sample for new recruiting, and paying more to the recruiting firm as they needed to hire additional staff to contact each phone number up to five times. 	<p><i>Additional labor hours: approximately 60, spread across 5 Contractor staff: \$ 8,467.87</i></p> <p><i>Additional direct costs:</i></p> <ul style="list-style-type: none"> <i>Increase in recruiting fee: \$720 (\$125 per recruit for non-military parents(up from \$110) and \$135 for military parents (up from \$120))</i> <i>Additional sample: \$ 17,071</i>
<ul style="list-style-type: none"> Initial project budget called for using US mail to send preparation materials to participants. Because recruiting was behind schedule, all materials had to be sent via Federal Express to reach participants in time. 	<p><i>Additional direct costs:</i></p> <ul style="list-style-type: none"> <i>Federal Express charges: \$300</i>
HIGH “NO-SHOW” RATE	
<ul style="list-style-type: none"> Three groups were cancelled and had to be rescheduled because not enough people actually called in to participate at the designated time, although they had been confirmed and twice reconfirmed by the recruiting vendor. Although 8 – 9 people was the optimal number the Contractor recommended for productive groups on the topic, the Contractor lowered the minimum number from 4 people to 3 for a group to be conducted. 	<p><i>Time lost to the project: 10 days</i></p> <p><i>Additional labor hours: approximately 8, to arrange rescheduling of three groups, and for project and research staff to repeat attendance at groups: \$1,129.05</i></p>

ISSUE	ADDITIONAL COSTS AND/OR LOSS OF TIME OR QUALITY
HIGH "NO SHOW" RATE (continued)	
<ul style="list-style-type: none"> Out of 12 groups, 4 groups had only 3 people; 3 groups had only 4 people. Discussion with such small groups yields a much lower level of input and less interaction among participants for informing the campaign than desired for this project. This rate of "no shows" is very unusual in the Contractor's experience; normally the "show up" rate for telephone focus groups is 90% to 100%. 	<i>Decrease in volume and quality of information collected.</i>

SUMMARY OF INCREASED COSTS	
\$ 1,411.31	Labor cost to obtain \$30 gift cards
9,173.53	Labor cost for daily monitoring of slow recruiting, strategizing with vendor to increase results, keeping team updated; subsequently identifying recruiting protocol breach, investigation of terminating vendor without pay.
8,467.87	Identifying and retaining new vendor, establishing new recruiting protocol, purchasing new sample, monitoring recruiting of new groups.
1,129.05	Rescheduling of groups cancelled due to high "no-show" rate.
\$ 20,181.76	TOTAL INCREASED LABOR COST (at \$141.13 average loaded labor hour)
336	\$ 3.50 fee per gift card
720	Increase in recruiting fee to vendor (\$15 more per recruit)
17,071	Additional sample
300	Federal Express charges
\$ 18,427	TOTAL INCREASED DIRECT COSTS
\$ 38,608.76	TOTAL INCREASED COSTS TO THE PROJECT TO ACCOMMODATE \$30 GIFT CARD

Total cost of focus groups as of June 30: \$ 96,745

Total cost if \$50 incentive had been used: \$ 59,396

Total cost if \$75 incentive had been used: \$ 60,971

DETAIL

\$50 Incentive

Cost to date	\$ 96,745	
Less	38,609	Additional cost of labor & ODCs due to \$30 gift card
Plus	1,260	\$20 x 63 incentives* (\$20 is the difference between \$30 and \$50)
TOTAL IF \$50 incentive had been used	\$ 59,396	

\$75 incentive

Cost to date	\$ 96,745	
Less	38,609	Additional cost of labor & ODCs due to \$30 gift card
Plus	2,835	\$45 x 63 incentives* (\$45 is the difference between \$30 and \$75)
TOTAL IF \$75 incentive had been used	\$ 60,971	

- 63 = 57 participants plus 6 people from 3 groups who “showed” but their groups were cancelled due to high “no show” rate.