***my*RA Creative Testing – Incentive Rationale**

**Qualitative Research**

**February 13, 2015**

The following provides rationale for the incentives we propose to pay the participants in these focus groups who will be business benefits decision makers for small, medium, and large companies. The rates are based on the sample prevailing rates for various locations.

This is a piece of market research designed to assess early-in-the-year communications materials and messages and obtain feedback on messages and materials being developed to support the rollout of *my*RA.

In the case of focus groups, there is an established pattern of costing based on collective recruiting experience.  The research industry does not typically conduct feasibility studies with individual market research projects to determine optimal incentive rates.  Such market research projects typically don’t have the budget for research-on research testing.  But this is a market-driven process.  We have two pieces of information guiding this: our own experience and the bid/ask experience in the marketplace.

* Artemis Strategy Group is a mainstream research organization whose leaders each have 25+ years experience conducting these kinds of qualitative research studies for private and public sector clients.
* The market provides the primary basis for pricing.  In major U.S. cities there are typically a handful of organizations that provide the recruiting services for focus groups.  They respond to our specifications and bid against each other to conduct this kind of work.  They are highly competitive with each other, and we negotiate with them to find the best deal.  Attached is a spreadsheet giving examples of incentive rates for these audiences.

The incentive amount proposed for consumers who are employed full-time, part-time or self-employed is $75. This is a lower amount than that proposed by any of the companies who provided bids. The bids ranged from a low of $85 to a high of $100 with an average of $98 across all companies in the two markets.

The business benefits decision makers are significantly more elite and harder to reach than the public audience. In market research the effort required to reach such individuals and persuade them to respond is orders of magnitude more difficult than with the public.  The greater effort required to reach them is also reflected in the incentives required to persuade them to participate in focus groups.  Among the range of reasons they are more difficult to recruit for group sessions:

* They are often higher status economically; there are few of them; they need to be reached through their business and its gatekeepers; and they have real and self-perceived other commitments that occupy their time.
* With the focus group participants, we are asking them to make the effort to come to a facility in their community, so they are committing travel time as well as the two hours that they will be participating in the group sessions. This is no different than is the case with the public group participants, but it differentiates these qualitative group participants from telephone survey respondents.

For the business benefits decision makers, the incentive amount proposed is $150 based on prevailing market rates. This is lower than the average amount of $184 and on the low end of the range of bids (bids ranged from a low of $150 to a high of $250).

Referring to the incentives spreadsheet, the proposed honorarium for business benefits decision makers and employees are in line (or below) the bids received based on the size of the market. If we are unable to offer this level of incentive, the bidders may not accept the work, they may reduce their commitment to fulfilling the task, or we may encounter low show-rates for participants in the focus groups. We can negotiate with them to some extent, but these incentive rates are widely accepted industry norms for this kind of work.