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**Improving Bottom
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RMS News

Winter 2004
Volume 1, Issue 1

A Marketing Newsletter For the Clients of RMS

Circulate to:

“Just Released”

Research & Marketing Strategies (RMS) is pleased to launch its First Edition of “RMS News”. RMS is a full-service marketing and market research firm serving a growing list of clients in industries such as healthcare, retail, manufacturing, government, education and higher education. In just two short years, numerous businesses, of all sizes, are reaping the benefits from the actionable marketing solutions RMS provides.

Whether you’re a current RMS customer or someone who may need market research assistance in the future, we invite you to read “RMS News”. It will provide you with relevant information on a quarterly basis that can be used to best position your company in the marketplace. Our goal for the newsletter is to:

- Provide you with useful marketing and marketing research information;
- Introduce solutions for your marketing needs;
- Keep you informed about the capabilities of RMS; and
- Provide information of general interest to the business community.



Market research is critical in corporate decision-making. With pressure to maintain strong profit margins, companies cannot afford to make “wrong” choices. Market research provides key customer and marketplace intelligence necessary to successfully operate and grow a business in today’s competitive environment.

Let us know what you think about the newsletter and the types of articles you would like to see included in the future editions. We welcome your comments and suggestions. They can be e-mailed to PatF@RMSresults.com.

Our Research Shows

Economy’s Growth Steady But Slow



Exuberant third quarter watchers hoped that the economy could sustain the sizzling 7.2% GDP growth rate that more than doubled 2nd quarter numbers — the fastest growth in nearly 20 years. However, there was a dip in the growth rate. For all the negative press surrounding the fourth quarter numbers, there was actually a notable 4% growth rate in the closing three months of 2003.

Although lower than third quarter results, the fourth quarter increase was slightly higher than the 3.7% predicted by the Blue Chip Economic Indicators Poll. The analysts surveyed forecasted that the economy would cool down in the fourth quarter after the impact of the federal tax cuts faded. The fourth quarter performance was also above the economy’s long-term sustainable rate of 3%. Analysts are watching consumer spending which led the recovery from the 2001 recession to determine whether above average consumer spending growth is sustainable in 2004.

Many economists believe higher-income tax refund checks will lift consumer spending in the first half of 2004. Also, the drop in the bond market interest rate after February’s weak jobs report could trigger another mini-surge in mortgage refinancing, putting more money into homeowner’s pockets. Some speculate that in order to sustain consumer spending beyond these one-time spikes, there needs to be growth in employment and income.

Many small firms across the country are starting to take on workers again — a significant step in an economic recovery that hasn’t seen much job creation. The nation’s 23 million small businesses employ an estimated 57.1 million workers — more than half of all private-sector

(Continued on page 3)

FUN FACT #101

It is impossible to sneeze with your eyes open.

**Check Us Out at
www.RMSresults.com**

Inside this issue:

Introduction	1
Economy Update	1
Research Tool Box	2
From Theory to Practice	3
President’s Corner	3
Check Your Marketing Pulse	4
Employee Spotlight	4

What do You Think?

E-mail your comments, ideas or suggestions for the newsletter to PatF@RMSresults.com



Check Your Marketing Pulse Market Research Can Better Position Your Company for Growth

Companies should regularly assess their marketing efforts and effectiveness. As part of the overall assessment process, you should answer the following questions:

- What key marketing objectives have you established for the current year?
- When was the last time you conducted a marketplace sales/needs analysis related to your product/service?
- What methods are in place to maintain and re-sell to existing customers?
- What is the number one objection you hear when selling your product/service? How are you addressing it?
- What is your strategy for gathering and maintaining competitive intelligence?
- When was the last time you initiated something based on a customer suggestion?

If you are like most respondents, you will not be pleased with your answers to these questions. In fact, unsatisfactory or unknown responses should prompt development of a marketing action plan. Market research can serve a vital role in improving your competitive position.

Employee Spotlight Megan O’Donnell Manager of Research Services



Megan has over 10 years of marketing, planning, research and management experience primarily in the health care arena. She has been with RMS since June of 2002. Throughout her career she has proven herself to be outstanding in identifying and integrating resources to solve complex organizational issues.

Megan has worked with health care, long-term care, manufacturing, education government and retail clients in the development of customized market research studies. Megan provided

assistance to clients in the areas of historic and projected utilization analysis, service area determination and population forecasting, market analysis, space programming, and monitoring changes in regulatory requirements.

Megan is currently serving on the Board of Directors of the Baldwinsville Volunteer Center as the Director of Public Relations and Chairperson of “A Taste of Baldwinsville,” the organization’s major fund-raising event.

Megan has an M.B.A. degree in Health Services Administration from Union College in Schenectady, New York and a B.S. degree in Finance from Siena College in Loudonville, New York.

Comments from Some of Our Clients

“RMS delved even more deeply and thoroughly than expected.”

- Syracuse Workforce Development Center

“Good overall appreciation of our challenges and provided suggestions for useful research to help address them.”

- Syracuse University/ University College

“RMS personnel conducted the focus groups with a professional ease that made the experience interesting and enjoyable, as well as useful.”

- Grace Episcopal Church

Research Toolbox

Focus Groups: A Source of Rich Information

Since we can't read our customers' minds, focus group research opens a window to help us gain detailed and in-depth information about what a target population may think or feel about a specific product, service or idea. This widely used qualitative research tool, while not quantifiable, can be very enlightening as it provides an understanding of the groups' attitudes about their customer service experience or product use. Who better to ask than your own customers?

Focus group methodology is used to gain free-flowing ideas and opinions that would not be possible to express in a written survey. A combination of qualitative (focus group, interviews etc.) and quantitative (surveys) research tools compliment each other very well, and make up for what each approach individually may lack.

The choice of qualitative or quantitative methodology used will depend on the objectives you hope to achieve from the primary research and your target audience.

A Typical Focus Group

A focus group is a small discussion group facilitated by a trained moderator. Typically, 8-10 individuals are invited to share and explore attitudes on a specific topic of interest for approximately 2 hours. The moderator encourages participants to freely discuss their feelings and opinions, and is skilled at asking probing questions, to gain insight and depth of attitudes. Most people really enjoy being part of these groups. They are not asked to purchase or endorse anything; in fact participants are typically thanked with a cash stipend (honorarium) that varies depending on the topic of interest.

When to Use Focus Groups

Focus groups can be used to accomplish a number of different objectives. They are generally used when you're looking for more than yes/no answers and you need more information than a survey can give. Some specific applications of focus group methods include:

- Identifying attitudes, perceptions and/or satisfaction about your product or service;
- Identifying and defining the needs of a specific user group;
- Learning your Competitive position perception in the marketplace;
- Generating new ideas for products or services;
- Role-playing or the dynamics of a larger group such as a school board meeting, town hall meeting or other larger community event;
- Obtaining broad-based community perceptions;
- Identifying opportunities and barriers related to your product or service; and
- Testing advertising copy, themes and packaging.

From Theory to Practice

Focus Group Case Study

A nationally renown college wanted to learn more about how existing and prospective students were utilizing their course catalogue and website. They were interested in identifying what changes to the format and content might optimize the catalog's use and influence more students to choose this particular college. RMS conducted six focus groups, consulting with prospective, existing and immediate past students. Feedback from student participants pointed to a number of issues surrounding the course catalogue including logo and brand awareness, font size, cover artwork, layout, sections utilized vs. sections underutilized, feature content, and use of white space. Equally helpful was the information gathered about student attitudes concerning the use of the website, which included font size, placement of selection buttons, data students say they need to help them make their decisions about attending a particular school, and brand awareness. As a result of the research findings, the college re-tooled both its catalog and web-site. It incorporated a number of the suggestions arrived at through the focus groups.

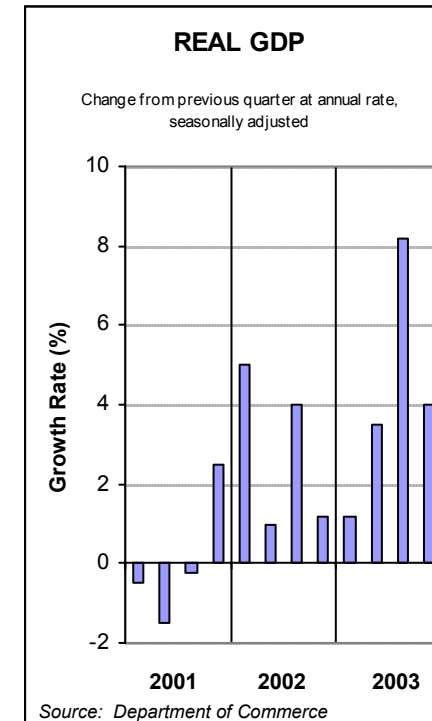


Student Enrollment
Material Optimization

Economy: Steady But Slow

(Continued from page 1)

employees — and creates more than half of the non-farm private gross domestic product, according to the Small Business Administration. The hope is that small-business hiring will help improve the current fragile consumer confidence level until larger companies begin to significantly boost payrolls — and begin restoring the 2.3 million jobs lost nationwide since the recession began in March 2001.



Source: Department of Commerce

The current sluggish job market is of concern in today's economy. Some indicators have pointed to this fact as the cause for the drop in consumer confidence in February and March of 2004. In addition to the poor labor market recovery, slowed wage and salary growth and record high gasoline and natural gas prices are making people very uneasy about economic conditions.

Some economists have noted that the worry over job creation can feed upon itself and weaken the economy, becoming a self-fulfilling prophecy. Other analysts have noted that the unprecedented productivity gains may allow employers to do without significant hiring for years.

Taken in total, the economy has continued to grow since 2001 — a recession year when the economy grew only 0.5%. Subsequently the economy grew 2.2% in 2002 and 3.1% in 2003 — its best performance since 3.7% in 2000. Some economists are predicting an overall 4.6% increase at the close of 2004.

Sources: Wall Street Journal, Forbes, Bloomberg, and Money

President's Corner

Letter from the President

On behalf of the entire staff at RMS, we hope you are having a prosperous start to 2004. Also, our sincere thanks to all of our valued clients for their business and friendship this past year. Thanks to you and our strong business relationship, RMS has experienced steady growth as we've added additional employees to our team. I'm pleased that we are part of the national trend contributing to the slow but steady economic recovery as mentioned in the story on Page One. However, we could not have done it without our valued business partners — our clients.

We are positive about the 2004 outlook, despite slipping consumer confidence levels. Now we just need to gauge how these indicators will impact us locally. We may all want to consider taking stock in our company's internal marketing inventory to make sure we're ready for growth and/or new or existing competitive threats. "Do your customers need new services or products?", "Do you know what your customers need and want?" "Do you know your competitors and what advantages they may or may not have?" or "Are you marketing your products and services as efficiently and effectively as possible?"

In this first issue we highlight the focus group research methodology as a means to help answer some of these questions. Then we take you from theory to practice as we spotlight a real case history of one of our clients and how the use of focus groups helped to meet their marketing needs. While focus groups are not the only research methodology available to help answer some of the questions just posed, it is one of the best means to obtain qualitative primary information. In subsequent issues we will explore other research methodologies. We will also highlight other RMS employees to give you an inside look at our extensive in-house capabilities.

Again, we wish you a prosperous 2004 and hope you enjoy this first issue of "Just The Facts".

RMS Professional Services Include:

- ✓ Custom Primary Data Obtainment
 - Telephone Surveys
 - Written Surveys
 - Focus Groups
 - Personal Interviews
- ✓ Site Selection Research
- ✓ Strategic Planning
- ✓ Customer Satisfaction Measurement
- ✓ Competitive Positioning & Intelligence Gathering
- ✓ New Product/Service Feasibility Studies
- ✓ Customer Profiling
- ✓ Geographic Analysis of Business Patterns

Call Us At
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