USPS LR-L-152

Forever Stamp Market Research

Report of Quantitative Market Research Conducted by Opinion Research Corporation, April, 2006

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Description

Library reference USPS LR-L-152 is a category 2 library reference sponsored by witness Altaf H. Taufique (USPS-T-48). It consists of a narrative report of the results of a telephone survey (Caravan®) conducted by Opinion Research Corporation during the last week of April, 2006. As explained in witness Taufique's testimony, this multi-topic survey included questions sampling attitudes of consumers and small businesses toward the concept of a "Forever Stamp" for the First-Class Mail basic letter rate. The library reference also includes descriptions of the samples and methodologies employed in conducting the survey.

UNITED STATES POSTAL SERVICE®

Market Research Report

Forever Stamp Research

Quantitative market research was conducted the last week of April 2006 across the U.S. utilizing a phone survey. This phone survey was conducted by ORC and was designed to ascertain acceptance of the Forever Stamp among consumers and small business owners.

This study indicates that consumers and small business owners are both receptive to the Forever Stamp concept. There are no negative attitudes associated with the concept. Customers are, however, very price sensitive. The table below indicates the purchase intent for a range of Forever Stamp prices.

Consumers & Small Business - likely to purchase				
	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
Consumers very/somewhat likely	80	57	45	27
Small Business very/somewhat likely	74	47	45	29

Customers were not inconvenienced at the last rate change as they had several alternatives as how to address the price increase. Many customers opted to use two $.37 stamps in lieu of purchasing $.39 stamps immediately after the rate change. Some customers did purchase $.02 make up stamps but this was not the dominant choice with customers. A small percent purposely underpaid postage, using just one $.37 stamp.

In terms of customers' willingness to pay a premium for the Forever Stamp in lieu of purchase restrictions, both consumers and small business owners were evenly split on this topic. Some were willing to pay more for the stamp while others opted for a limited time period the stamp would be available or have a limited quantity they could purchase.

Customers would have improved perceptions of the Postal Service if we introduced the Forever Stamp. They also indicated that the Forever Stamp could keep them sending payments in the mail and even induce them to send messages.

Summary

Insight # 1

Customers are infrequent buyers of stamps

The mean number of times postage is purchased per month is 1.2 for consumers and 1.8 for small business. When we examine mean purchases among those who indicated purchase intent for the Forever Stamp, we do not see any significant changes except for the $.42 and $.45 stamps for small businesses.

Consumers - mean # of times purchase FCM postage per month	
total	1.2
39 cents likely to purchase	1.1
40 cents likely to purchase	1.2
42 cents likely to purchase	1.2
45 cents likely to purchase	1.1

Small Business - mean # of times purchase FCM postage per month	
total	1.8
39 cents likely to purchase	1.6
40 cents likely to purchase	1.7
42 cents likely to purchase	2.8
45 cents likely to purchase	3.2

Insight # 2

The local post office dominates as the location of customer choice

Among both consumers and small businesses the dominant place postage is purchased is at the Post Office. Among consumers the second choice is grocery stores and among small businesses the second choice is APC/vending machines.

Consumers - where purchase FCM postage	
	%
Clerk at post office	75
Grocery Stores	20
APC/Vending Machine	12
Stamps by Mail	5
USPS website	3

Small Business - where purchase FCM postage	
	%
t office	83
g Machine	12
re	9
Mail	6
ite	3

Insight # 3

Customers buy only a small amount of stamps at any time

Among consumers the mean number of stamp purchased is 39.1 and among small business owners it is 58.5. Consumers are more likely to buy 1 book of stamps at a time while the small business owners will purchase 2 books at a time. Since small business owners purchase stamps nearly 2 times a month, they are clearly buying more postage than consumers who only purchase stamps once a month.

Consumers - number of FC stamps purchased at one time		
	%	
20 or <	62	
21 - 40	12	
41 or >	24	
mean #		39.1

Small Business - number of FC stamps purchased at one time		
	%	
20 or <	35	
21 - 40	12	
41 or >	45	
mean #		58.5

Insight # 4

Customers typically hold about 50 percent or more of their normal purchase amount in inventory

The mean number of stamps on hand is 20.8 for consumers and 39.4 for small businesses. There is not a significant difference in the number of stamps on hand when customers indicated they were likely to purchase the Forever Stamp. Among the small business owners who indicated interest in purchasing the 42 cent and 45 cent stamps, we found the mean number of stamps on hand was above the mean.

Consumers HH - mean number of 39 cent stamps presently on hand	
total	20.8
39 cent likely to purchase	21.1
40 cent likely to purchase	19.1
42 cent likely to purchase	17.9
45 cent likely to purchase	14.9

ess - mean number of 39 presently on hand	
	39.4
y to purchase	38.1
y to purchase	31.5
y to purchase	44.2
y to purchase	42

Insight # 5

Customers, including those who will likely purchase the Forever Stamp, have a positive perception of the USPS performance over the past 3 months

Most consumers (88%) and small business owners (82%) view the USPS performance as positive over the past 3 months. These percentages remain very high among those customers indicating likelihood to purchase the Forever Stamp. In fact the level of satisfaction increased somewhat among those small business owners indicating purchase intent for the 42 cent and 45 cent stamps.

Thus, customers who are likely to purchase the Forever Stamp view the USPS very positively and the Forever Stamp should add to the positive perception. It also indicates that customer likely to purchase the Forever Stamp will not be doing so because of dissatisfaction with current service.

Consumers - USPS performance over the past 3 months		
Excellent/Very Good/Good	%	
total	88	
39 cent likely to purchase	88	
40 cent likely to purchase	92	
42 cent likely to purchase	91	
45 cent likely to purchase	90	

Small Business - USPS performance over the past 3 months		
Excellent/Very Good/Good	%	
total	82	
39 cent likely to purchase	82	
40 cent likely to purchase	86	
42 cent likely to purchase	89	
45 cent likely to purchase	96	

Insight # 6

Customers do not have a significant amount of concerns about purchasing stamps at the time of the price change

Among consumers and small business owners a large percentage of customers purchased 39 cent stamps after the rate change while 20 percent or less purchased the stamps prior to the rate change. Regarding the purchase of 2 cent stamps, around 20 percent bought them prior to the rate change but the majority purchased them after the rate change.

Thus the rate change is not a monumental issue with which to deal. They do not spend a great deal of time preparing for the change in advance.

Consumers - purchase 39 cent stamps ıfter price change	
	%
e change	14
change	80
	6

s - purchase 2 cent stamps ıfter price change	
	%
e change	22
change	55
	24

Small Business - purchase 39 cent stamps before or after price change	
	%
before price change	20
after price change	65
don't know	15

Small Business - purchase 2 cent stamps before or after price change	
	%
before price change	23
after price change	51
don't know	26

Insight # 7

For many customers the rate change is not a significant problem but rather a minor inconvenience

Both consumers and small business owners were for the most part not greatly inconvenienced by the last rate change.

Consumers - last rate change create any inconvenience	
	total
	%
none/very little	51
some/ a great deal	31

Small Business - last rate change create any inconvenience	
	total
	%
none/very little	56
some/ a great deal	25

Insight # 8
A rate change is not a significant problem but a minor inconvenience

A sizeable minority of customers used two $.37 stamps as postage after the rate increase. For these customers it was easier to pay additional postage rather than save the $.35 of additional postage per letter.

Again, this indicates that for many customers the rate change is not a significant problem but rather a minor inconvenience. The Forever Stamp is a :ractive method to eliminate this additional expenditure for these

- use of two 37 cent stamps :rease	
	%
	37
	61

Small Business - use of two 37 cent stamps after rate increase	
	%
yes	39
no	54

Insight # 9
A small percentage of customers risked sending mail with insufficient postage after the rate increase

A small percentage of customers (14% for both consumers and small businesses) risked sending mail with insufficient postage after the rate increase. Rather than adding a $.02 stamp or using two $.37 stamps, 14 percent of customers used only one $.37 stamp.

For these customers it was easier to risk underpayment than to go to the post office and buy the correct stamp.

Consumers - use only one 37 cent stamp after rate increase	
	%
yes	14
no	84
don't know	2

Small Business - use only one 37 cent stamp after rate increase	
	%
yes	14
no	82
don't know	4

Insight #10

Customers who are likely to purchase the Forever Stamp do not consider a rate change to be a major issue

Customers who are likely to purchase the Forever Stamp were for the most part not greatly inconvenienced by the last rate change.

Consumers - last rate change create any inconvenience				
likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
none/very little	54	56	48	51
some/ a great deal	31	28	32	29

ıss - last rate change create any inconvenience				
hase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
tle	47	45	49	50
at deal	31	29	34	30

Insight # 11

Many customers did have to do special things to be prepared

While customers do not consider a rate change to be a major concern, many did have to do special things to be prepared. About half of the consumers and small businesses indicated they made a special trip to the Post Office to purchase postage. Among small business owners who indicated purchase interest in the 42 cent and 45 cent stamps, this percentage was higher. A smaller percentage of customers encountered long lines at the Post Office.

Consumers - experiences after the rate change				
likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
special trip to buy stamps	52	48	47	43
long lines at post office	24	24	31	31
out of stamps, had to come back	11	9	9	11
low on stamps, limited purchases	6	7	8	9

Small Business - experiences after the rate change				
likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
special trip to buy stamps	48	41	68	57
long lines at post office	40	40	37	33
out of stamps, had to come back	24	23	26	27
low on stamps, limited purchases	14	10	17	11

Insight # 12

Customers will be highly price sensitive

Customers are highly likely to purchase the Forever Stamp at no premium but as the price increases, the purchase intent declines. The purchase intent for the 40 and 42 cent stamps is strong but for the 45 cent stamp it declines significantly.

Consumers - likely to purchase				
	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
very/somewhat likely	80	57	45	27
very/somewhat unlikely	15	36	49	67

Small Business - likely to purchase				
	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
what likely	74	47	45	29
what unlikely	16	41	45	59

Insight # 13

Customers will respond close in time to a price change

Our customers are more inclined to wait and purchase the Forever Stamp just prior to the rate change. A rate change is a minor inconvenience and customers deal with it accordingly. They do not feel the need to plan on a long term basis for a rate change.

Consumers - time period in which forever stamp would be purchased				
very/somewhat likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
one year	64	50	38	27
three months	79	65	48	39
two weeks	82	75	56	45

Small Business - time period in which forever stamp would be purchased				
very/somewhat likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
one year	62	38	23	15
three months	70	59	37	21
two weeks	76	82	51	29

Insight # 14

The Forever Stamp could impact favorably customers' perception of the Postal Service and use of mail

The consumers and small business who are likely to purchase the Forever Stamp view the USPS as being customer friendly. This is particularly true of consumers. Also, our customers indicate the Postal Service and Forever Stamp will be easier to deal with in the future. A high percent indicated the Forever Stamp could increase the amount of mail they would send; further, a sizeable minority indicated it would lead them to use the mail more for paying bills.

Consumers - agree with statements				
likely to purchase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
USPS is customer friendly	86	90	82	86
USPS easier to use	81	85	80	85
stamp will be easier to deal with	92	95	90	94
use to send mail messages	47	53	51	63
use the mail to pay bills	58	66	54	64
purchase stamp as a gift	46	54	47	54

ıess - agree with statements				
'chase	39 cent	40 cent	42 cent	45 cent
	%	%	%	%
ıstomer friendly	73	86	75	63
ier to use	70	77	69	71
be easier to deal with	93	98	82	78
d mail messages	27	29	27	31
ail to pay bills	35	43	48	53
stamp as a gift	40	55	41	46

Insight # 15
Customers are willing to accept purchase restrictions to avoid paying a premium

Customers are more willing to pay a premium in lieu of purchase restrictions if it is only a one cent premium. As the premium increases, our customer interest in unrestricted purchases decreases. Consumers expressed stronger interest in paying a premium for an unlimited quantity of stamps versus paying a premium to buy the stamps over the entire year.

Consumers HH - willingness to pay one cent premium	
likely to purchase	40 cent
	%
pay no premium, 2 month limit	37
pay premium, buy all year	59

Consumers HH - willingness to pay one cent premium	
likely to purchase	40 cent
	%
pay no premium, buy 20 or <	32
pay premium, buy unlimited #	65

Small Business - willingness to pay one cent premium	
likely to purchase	40 cent
	%
pay no premium, 2 month limit	37
pay premium, buy all year	55

Small Business - willingness to pay one cent premium	
likely to purchase	40 cent
	%
um, buy 20 or <	23
, buy unlimited #	77

- willingness to pay three		
ı		
nase	42 cent	45 cent
	%	%
ium, 2 month limit	48	42
ı, buy all year	46	53

Consumers - willingness to pay three cent premium		
likely to purchase	42 cent	45 cent
	%	%
pay no premium, buy 20 or <	45	39
pay premium, buy unlimited #	48	53

Small Business - willingness to pay three cent premium		
likely to purchase	42 cent	45 cent
	%	%
pay no premium, 2 month limit	70	69
pay premium, buy all year	30	31

Small Business - willingness to pay three cent premium		
likely to purchase	42 cent	45 cent
	%	%
pay no premium, buy 20 or <	71	70
pay premium, buy unlimited #	29	30

Consumers - willingness to pay six cent premium		
likely to purchase	42 cent	45 cent
	%	%
pay no premium, 2 month limit	52	45
pay premium, buy all year	44	50

Consumers - willingness to pay six cent premium		
likely to purchase	42 cent	45 cent
	%	%
emium, buy 20 or <	54	48
ium, buy unlimited #	42	49

siness - willingness to pay six cent		
urchase	42 cent	45 cent
	%	%
remium, 2 month limit	61	48
ium, buy all year	33	39

Small Business - willingness to pay six cent premium		
likely to purchase	42 cent	45 cent
	%	%
pay no premium, buy 20 or <	52	42
pay premium, buy unlimited #	48	53

Conclusions

The Forever Stamp is definitely a viable option for the USPS to offer. It has customer appeal and it does not have any serious attitudinal drawbacks associated with it.

On the whole, our customers do not consider a rate change as a large inconvenience and customers do not spend a great deal of time planning for a rate change. In the case of the last postage rate increase, many customers simply used two $.37 stamps rather than make a special trip to purchase $.02 stamps.

The Forever Stamp would be an added value for these customers who made a special trip to the Post Office or who either used two $.37 stamps or just one $.37 stamp and risked the underpayment.

The key to success will be the price point for this stamp. There is clear price sensitivity, especially for the high premium prices. Also, customers largely would accept purchase restrictions to avoid the high premium prices.

SMALL BUSINESS CARAVAN METHODOLOGY

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INTRODUCTION

This report presents the findings of two waves of a telephone survey conducted among a national probability sample of 2,059 adults comprising 1,026 men and 1,033 women 18 years of age and older, living in private households in the continental United States. Interviewing for this CARAVAN® Survey was completed during the period April 27 – May 1, 2006.

All CARAVAN interviews are conducted using Opinion Research Corporation's computer assisted telephone interviewing (CATI) system. The system is state-of-the-art and offers several distinct advantages such as: full-screen control which allows multi-question screens, fully-programmable help and objection screens to aid interviewing, an extremely flexible telephone number management system and powerful data checking facilities. CATI ensures that interviews are conducted in the most efficient manner and allows interviewers easy response recording. This interviewing method also allows for the most accurate form of data entry by guiding the interviewer through the programmed question flow and by providing on-screen interviewer instructions.

The most advanced probability sampling techniques are employed in the selection of households for telephone interviewing. Opinion Research Corporation utilizes an unrestricted random sampling procedure that controls the amount of serial bias found in systematic sampling to generate its random-digit-dial sample. The sample is fully replicated and stratified by region. Only one interview is conducted per household. All sample numbers selected are subject to up to four attempts to complete an interview.

Completed interviews are weighted by four variables: age, sex, geographic region, and race, to ensure reliable and accurate representation of the total population, 18 years of age and older. The raw data are weighted by a custom designed program which automatically develops a weighting factor for each respondent. Each respondent is assigned a single weight derived from the relationship between the actual proportion of the population with its specific combination of age, sex, geographic characteristics and race and the proportion in our CARAVAN sample that week. Tabular results show both weighted and unweighted bases.

The use of replicable sampling, standardized interviewing procedures and representative weighting provides that all CARAVAN studies are parallel to one another. Thus, CARAVAN usage is appropriate both for point-in-time analysis as well as tracking and trend comparisons.

Included in the Technical Information which follows are tables of sampling tolerances of survey results, and a copy of the question series as it appeared in the survey questionnaire.

As required by the Code of Standards of the Council of American Survey Research Organizations, we will maintain the anonymity of our respondents. No information will be released that in any way will reveal the identity of a respondent. Our authorization is required for any publication of the research findings or their implications.

Opinion Research Corporation's CARAVAN is a shared-cost data collection vehicle. Opinion Research Corporation has exercised its best efforts in the preparation of this information. In any event, Opinion Research Corporation assumes no responsibility for any use which is made of this information or any decisions based upon it.

CARAVAN Telephone Sampling Methodology

Opinion Research Corporation's national probability telephone sample is an efficient form of random-digit-dialing. The sample is designed to be a simple random sample of telephone households. Unlike published directories, Opinion Research Corporation's national probability telephone sample includes both unlisted numbers and numbers issued after publication of the directories. The following procedure was used to create the sample:

- Opinion Research Corporation has an annual license for GENESYS, a custom RDD sample generation system developed by Marketing Systems Groups.
- The methodology for generating random digit dialing (RDD) telephone samples in the GENESYS system provides for a single stage, EPSEM (Equal Probability of Selection Method) sample of residential telephone numbers. It is updated twice a year.
- When a national probability sample is needed, a random selection is made from approximately 40,000 exchanges in two million working banks.
- Each telephone number is transferred to a separate call record. The record shows the computer-generated telephone number to be called, as well as the county, state, MSA (if applicable), band and time zone into which the telephone number falls. Our computerized interviewing system (CATI) uses this information to keep track of regional quotas. The CATI interviewing program also keeps track of the disposition categories for each call attempt.

Reliability Of Survey Percentages

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The table below shows the possible sample variation that applies to percentage results reported from Opinion Research Corporation's CARAVAN sample. The chances are 95 in 100 that a CARAVAN survey result does not vary, plus or minus, by more than the indicated number of percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Size of Sample on Which Survey Results Are Based	Approximate Sampling Tolerances Applicable to Percentages At or Near These Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
2,000 interviews	1%	2%	2%	2%	2%
1,000 interviews	2%	2%	3%	3%	3%
500 interviews	3%	4%	4%	4%	4%
250 interviews	4%	5%	6%	6%	6%
100 interviews	6%	8%	9%	10%	10%

Additional Sampling Tolerances for Samples of 1,000 Interviews

9% or 91%	8% or 92%	7% or 93%	6% or 94%	5% or 95%
2%	2%	2%	1%	1%

4% or 96%	3% or 97%	2% or 98%	1% or 99%
1%	1%	1%	.2%

Sampling Tolerances When Comparing Two Samples

Tolerances are also involved in the comparison of results from independent parts of any one Opinion Research Corporation's CARAVAN sample and in the comparison of results between two independent CARAVAN samples. A difference, in other words, must be of at least a certain number of percentage points to be considered statistically significant. The table below is a guide to the sampling tolerances in percentage points applicable to such comparisons, based on a 95% confidence level.

Size of Samples Compared	Differences Required for Significance At or Near These Percentage Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
1,000 and 1,000	3%	4%	4%	4%	4%
1,000 and 500	3%	4%	5%	5%	5%
1,000 and 250	4%	6%	6%	7%	7%
1,000 and 100	6%	8%	9%	10%	10%
500 and 500	4%	5%	6%	6%	6%
500 and 250	5%	6%	7%	7%	8%
500 and 100	6%	9%	10%	11%	11%
250 and 250	5%	7%	8%	9%	9%
250 and 100	7%	9%	11%	11%	12%
100 and 100	8%	11%	13%	14%	14%

How To Read The Tables

The following pages present the detailed tabulations of survey results. The data are percentaged vertically and, therefore, should be read from top-to-bottom. The total number of interviews, both weighted and unweighted, appears at the top of each column. Percentages are calculated on the weighted bases. Percentages may not add to 100% due to weighting factors or multiple responses. Where an asterisk (*) appears, it signifies any value of less than one-half percent.

Definition Of Classification Terms

The following definitions are provided for some of the standard demographics by which the results are tabulated. Other demographics are self-explanatory.

Income

The income groupings refer to the total household income for 2005 before taxes.

Metro Size

Metro --	In Center City of Metropolitan Area Outside Center City, Inside Center City County Inside Suburban County of Metropolitan Area In Metropolitan Area with No Center City
Non-Metro --	In Non-Metropolitan Area

Children in Household

None --	No children under 18 years of age living in household
Total --	Have children under 18 years of age living in household
Under 12 --	Have children under 12 years of age living in household
12 - 17 --	Have children ages 12 to 17 living in household

Geographic Region

The continental states are contained in four geographic regions as follows:

North East
New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut
Middle Atlantic: New York, New Jersey, Pennsylvania

North Central
East North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin
West North Central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas

South
South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida
East South Central: Kentucky, Tennessee, Alabama, Mississippi
West South Central: Arkansas, Louisiana, Oklahoma, Texas

West
Mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada
Pacific: Washington, Oregon, California

Occupation (Optional)

The occupation classification refers to the occupation of the respondent. The types of positions included in each category are:

Professional/Manager/Owner	-	Executives, Professionals, Technical and Kindred Workers, Managers, Officials, and Proprietors
White Collar - Sales/Clerical	-	Clerical, Office and Secretarial Workers, and Sales Agents and Workers
Blue Collar - Craftsmen/Foremen	-	Craftsmen, Foremen, Kindred Workers, Carpenters, Plumbers, Electricians, Mechanics, and Bakers
Blue Collar - Semi-Skilled/Unskilled	-	Apprentices, Laborers, Assembly Line Workers, Motormen and Fishermen
Service Workers	-	Housekeepers in Private Households, Police, Beauticians, Barbers, Security Guards, Waitresses and Waiters

Significance Testing

When results from sub-groups of a CARAVAN sample appear in the detailed tabulations, an indicator of statistically significant differences is added to the tables run on our standard demographic banners. The test is performed on percentages as well as mean values. Each sub-sample is assigned a letter. When the percentage of one sub-sample is significantly different from the percentage of another sub-sample, the letter representing one of the two samples appears next to the percentage (or mean) of the other sample.

For instance the percentage of males answering yes to a particular question may be compared to the percentage of females answering yes to the same question. In the example on the next page, the male sample is assigned the letter B, and the female sample is assigned the letter C. Here, respondents were asked whether a certain business practice is acceptable. 67% of women said that it was -- a proportion significantly greater than the 57% of males who believe that the practice is acceptable. To indicate that women are significantly more likely to find the practice acceptable than are men, the letter B -- the letter assigned to the male sub-sample -- appears next to the "67%" in the female column. Similarly, the 37% of men that find the practice unacceptable is significantly greater than the 29% of women who do so and, therefore, the letter C -- the letter assigned to the female sub-sample -- appears next to the "37%" in the male column.

Significance Testing (continued)

Acceptability of [practice]

	Total (A)	Sex: Male (B)	Sex: Female (C)
Unweighted Total	977	488	489
Weighted Total	967	464	503
Acceptable	611 63%	274 59%	337 67%B
Not Acceptable	319 33%	171 37%C	148 29%
Don't Know	37 4%	18 4%	19 4%

Significance testing is done to the 95% confidence level. The columns compared are listed at the bottom of each table.

A number of factors need to be considered when determining which type of t-test should be applied, such as whether the samples being compared overlap, whether they are means or percentages, etc. Opinion Research Corporation's software has the capability to perform the appropriate test.

Note that any statistical test becomes less reliable when the sample sizes are small. Even though the test mathematically can be performed on samples as low as thirty, sixty respondents is the reasonable lower bound on the size of the sample.

CONSUMER CARAVAN METHODOLOGY

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The use of replicable sampling, standardized interviewing procedures and representative weighting provides that all CARAVAN studies are parallel to one another. Thus, CARAVAN usage is appropriate both for point-in-time analysis as well as tracking and trend comparisons.

Included in the Technical Information which follows are tables of sampling tolerances of survey results, and a copy of the question series as it appeared in the survey questionnaire.

As required by the Code of Standards of the Council of American Survey Research Organizations, we will maintain the anonymity of our respondents. No information will be released that in any way will reveal the identity of a respondent. Our authorization is required for any publication of the research findings or their implications.

Opinion Research Corporation's CARAVAN is a shared-cost data collection vehicle. Opinion Research Corporation has exercised its best efforts in the preparation of this information. In any event, Opinion Research Corporation assumes no responsibility for any use which is made of this information or any decisions based upon it.

CARAVAN Telephone Sampling Methodology

Opinion Research Corporation's national probability telephone sample is an efficient form of random-digit-dialing. The sample is designed to be a simple random sample of telephone households. Unlike published directories, Opinion Research Corporation's national probability telephone sample includes both unlisted numbers and numbers issued after publication of the directories. The following procedure was used to create the sample:

- Opinion Research Corporation has an annual license for GENESYS, a custom RDD sample generation system developed by Marketing Systems Groups.

- The methodology for generating random digit dialing (RDD) telephone samples in the GENESYS system provides for a single stage, EPSEM (Equal Probability of Selection Method) sample of residential telephone numbers. It is updated twice a year.

- When a national probability sample is needed, a random selection is made from approximately 40,000 exchanges in two million working banks.

- Each telephone number is transferred to a separate call record. The record shows the computer-generated telephone number to be called, as well as the county, state, MSA (if applicable), band and time zone into which the telephone number falls. Our computerized interviewing system (CATI) uses this information to keep track of regional quotas. The CATI interviewing program also keeps track of the disposition categories for each call attempt.

Reliability Of Survey Percentages

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The table below shows the possible sample variation that applies to percentage results reported from Opinion Research Corporation's CARAVAN sample. The chances are 95 in 100 that a CARAVAN survey result does not vary, plus or minus, by more than the indicated number of percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Size of Sample on Which Survey Results Are Based	Approximate Sampling Tolerances Applicable to Percentages At or Near These Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
2,000 interviews	1%	2%	2%	2%	2%
1,000 interviews	2%	2%	3%	3%	3%
500 interviews	3%	4%	4%	4%	4%
250 interviews	4%	5%	6%	6%	6%
100 interviews	6%	8%	9%	10%	10%

Additional Sampling Tolerances for Samples of 1,000 Interviews

9% or 91%	8% or 92%	7% or 93%	6% or 94%	5% or 95%
2%	2%	2%	1%	1%

4% or 96%	3% or 97%	2% or 98%	1% or 99%
1%	1%	1%	.2%

Sampling Tolerances When Comparing Two Samples

Tolerances are also involved in the comparison of results from independent parts of any one Opinion Research Corporation's CARAVAN sample and in the comparison of results between two independent CARAVAN samples. A difference, in other words, must be of at least a certain number of percentage points to be considered statistically significant. The table below is a guide to the sampling tolerances in percentage points applicable to such comparisons, based on a 95% confidence level.

Size of Samples Compared	Differences Required for Significance At or Near These Percentage Levels				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
1,000 and 1,000	3%	4%	4%	4%	4%
1,000 and 500	3%	4%	5%	5%	5%
1,000 and 250	4%	6%	6%	7%	7%
1,000 and 100	6%	8%	9%	10%	10%
500 and 500	4%	5%	6%	6%	6%
500 and 250	5%	6%	7%	7%	8%
500 and 100	6%	9%	10%	11%	11%
250 and 250	5%	7%	8%	9%	9%
250 and 100	7%	9%	11%	11%	12%
100 and 100	8%	11%	13%	14%	14%

How To Read The Tables

The following pages present the detailed tabulations of survey results. The data are percentaged vertically and, therefore, should be read from top-to-bottom. The total number of interviews, both weighted and unweighted, appears at the top of each column. Percentages are calculated on the weighted bases. Percentages may not add to 100% due to weighting factors or multiple responses. Where an asterisk (*) appears, it signifies any value of less than one-half percent.

Definition Of Classification Terms

The following definitions are provided for some of the standard demographics by which the results are tabulated. Other demographics are self-explanatory.

Income

The income groupings refer to the total household income for 2005 before taxes.

Metro Size

Metro --	In Center City of Metropolitan Area Outside Center City, Inside Center City County Inside Suburban County of Metropolitan Area In Metropolitan Area with No Center City
Non-Metro --	In Non-Metropolitan Area

Children in Household

None --	No children under 18 years of age living in household
Total --	Have children under 18 years of age living in household
Under 12 --	Have children under 12 years of age living in household
12 - 17 --	Have children ages 12 to 17 living in household

Geographic Region

The continental states are contained in four geographic regions as follows:

North East
New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut
Middle Atlantic: New York, New Jersey, Pennsylvania

North Central
East North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin
West North Central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas

South
South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida
East South Central: Kentucky, Tennessee, Alabama, Mississippi
West South Central: Arkansas, Louisiana, Oklahoma, Texas

West
Mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada
Pacific: Washington, Oregon, California

Occupation (Optional)

The occupation classification refers to the occupation of the respondent. The types of positions included in each category are:

Professional/Manager/Owner	-	Executives, Professionals, Technical and Kindred Workers, Managers, Officials, and Proprietors
White Collar - Sales/Clerical	-	Clerical, Office and Secretarial Workers, and Sales Agents and Workers
Blue Collar - Craftsmen/Foremen	-	Craftsmen, Foremen, Kindred Workers, Carpenters, Plumbers, Electricians, Mechanics, and Bakers
Blue Collar - Semi-Skilled/Unskilled	-	Apprentices, Laborers, Assembly Line Workers, Motormen and Fishermen
Service Workers	-	Housekeepers in Private Households, Police, Beauticians, Barbers, Security Guards, Waitresses and Waiters

Significance Testing

When results from sub-groups of a CARAVAN sample appear in the detailed tabulations, an indicator of statistically significant differences is added to the tables run on our standard demographic banners. The test is performed on percentages as well as mean values. Each sub-sample is assigned a letter. When the percentage of one sub-sample is significantly different from the percentage of another sub-sample, the letter representing one of the two samples appears next to the percentage (or mean) of the other sample.

For instance the percentage of males answering yes to a particular question may be compared to the percentage of females answering yes to the same question. In the example on the next page, the male sample is assigned the letter B, and the female sample is assigned the letter C. Here, respondents were asked whether a certain business practice is acceptable. 67% of women said that it was -- a proportion significantly greater than the 57% of males who believe that the practice is acceptable. To indicate that women are significantly more likely to find the practice acceptable than are men, the letter B -- the letter assigned to the male sub-sample -- appears next to the "67%" in the female column. Similarly, the 37% of men that find the practice unacceptable is significantly greater than the 29% of women who do so and, therefore, the letter C -- the letter assigned to the female sub-sample -- appears next to the "37%" in the male column.

Significance Testing (continued)

Acceptability of [practice]

	Total (A)	Sex: Male (B)	Sex: Female (C)
Unweighted Total	977	488	489
Weighted Total	967	464	503
Acceptable	611 63%	274 59%	337 67%B
Not Acceptable	319 33%	171 37%C	148 29%
Don't Know	37 4%	18 4%	19 4%

Significance testing is done to the 95% confidence level. The columns compared are listed at the bottom of each table.

A number of factors need to be considered when determining which type of t-test should be applied, such as whether the samples being compared overlap, whether they are means or percentages, etc. Opinion Research Corporation's software has the capability to perform the appropriate test.

Note that any statistical test becomes less reliable when the sample sizes are small. Even though the test mathematically can be performed on samples as low as thirty, sixty respondents is the reasonable lower bound on the size of the sample.