

**OUR WATER OUR VOICE**  
**CUSTOMER ENGAGEMENT INCENTIVES**

**27.11.24**

**WHAT ARE INCENTIVES?**

Incentives are ways to aim to motivate people to participate in customer engagement (or research) activities who might otherwise decline. Participating in such activities takes people away from their precious personal time, so there is often a need to provide an incentive to participate beyond a potential interest in the topic area or out of pure altruism.

As such, without the use of incentives, willing participants tend to be those highly invested in the topic area, often with polarised views. The majority, who sit somewhere between these two views, are less likely to participate without some form of incentive.

The use of incentives in government customer engagement and research is common practice and generally considered appropriate when done ethically and transparently. Paying incentives encourages participation in customer engagement, recognises participant contributions, reduces barriers to participation and enables hard to reach groups to be involved.

**KEY REASONS TO PAY INCENTIVES.**

- **Compensation for time and effort:** Customer engagement participation requires individuals to dedicate time and effort, such as completing surveys, doing interviews, or attending forums, panels or focus groups. Offering incentives can be seen as fair compensation for their valuable time.
- **Increased Participation:** Incentives can provide additional motivation to individuals to participate in customer engagement who might otherwise decline. This can help researchers gather a more diverse and representative sample of the population, leading to more accurate and insightful findings.
- **Improved Data Quality:** When participants feel valued and compensated, they are more likely to provide thoughtful and honest feedback. This can lead to higher-quality data that is more useful for decision-making. This is particularly true at higher levels of the IAP2 spectrum where more time is required of participants to discuss, explain and deliberate on complex topics. In these cases, higher incentives may be required in exchange for the longer duration of customer engagement, and the higher cognitive load placed on participants.
- **Reduced Drop-Out:** Incentives can motivate participants to complete the entire customer engagement process, reducing dropout rates. This ensures that data collected is complete and consistent. This was particularly helpful in phases 5 and 6 of Our Water Our Voice which occurred over multiple weekend days over eight weeks. High drop-out rates would have significantly reduced the ability to obtain a robust and reliable customer consensus around key decisions.

**Transparency and Ethical considerations:**

- **Ethical Considerations:** It's important to ensure that incentives are not so large that they could be perceived as coercive or exploitative. The value of the incentive should also be proportionate to the time and effort required for participation. In Australia, reputable research recruiters generally recommend that a standard incentive for a member of the general population should be approximately between \$0.80 – \$1.30 per minute of research. For example, the incentive for a 1-hour interview typically ranges between \$50 and \$70. Most participants in Our Water Our Voice were paid within this range. Depending on the audience, different incentive amounts may be considered, particularly if an audience is harder to reach, such as people living with a disability.
- **Transparency:** During recruitment, our research partner was transparent about the nature of the research, the purpose of the incentives, and any potential risks or benefits involved. Recruiters explained this carefully when recruiting participants and made sure customers understood this clearly before agreeing to participate.
- **Distinguishing between incentives and bribes:** Incentives are not bribes. There are considerable differences between their intent and context. An incentive is offered to encourage participation in a legitimate research activity and is typically disclosed up front in a transparent way. A bribe on the other hand, is used to influence someone's actions or decisions in a way that is unethical or illegal and is often done secretly. The use of incentives in Our Water, Our Voice was both responsible and transparent, adhered to ethical guidelines and avoided any practices that could be construed as bribery or coercion.

**Special audiences and differing incentive amounts**

Some research audiences were paid incentives that are above the recommended range for the general population. For example, Value Makers and owners/operators of small to medium-sized businesses (SMEs) were typically well paid, time poor

professionals being asked to participate in customer engagement. As such, the opportunity cost of participating in customer engagement was considerably higher for these audiences. There are several key reasons why it is acceptable to pay professionals like Value Makers and owners/ operators of small to medium-sized businesses higher incentives (Value Makers received \$120 per 1 hour interview and SMEs received \$140 to participate in 90-minute focus groups):

- **Expertise and skill:** These audiences often possess specialised knowledge and experiences that are valuable to the research.
- **Fair compensation:** As these individuals are highly paid and typically more time poor, fair compensation for their time and potential lost earnings is higher. Ultimately the opportunity cost of participating in customer engagement is higher for these participants so the compensation needs to match this.
- **Representativeness:** Higher earning individuals are often less likely to participate in research due to time constraints or the opportunity cost of participating. Offering a higher incentive can help mitigate the potential biases in the customer engagement sample which would occur if they were under-represented.

People living with a disability were an audience where the incentives paid were paid slightly above the recommended range during Our Water, Our Voice. These participants were paid an \$80 incentive to participate in 1-hour in-depth interviews. The following rationale justified paying a slightly higher incentive for this audience:

- **Paired interviews:** Paired in-depth interviews were an option for customers living with a disability that participated in the research. This meant that they could enlist the help of a carer to assist with completing the interview. As carers are often paid support, higher incentives helped reduce the cost barrier associated with enlisting help, enabling greater participation.
- **Improved representation:** To ensure people living with disability were represented, offering an incentive at the higher end of the recommended range can help to encourage their participation and ensure a more diverse and representative sample.
- **Improved quality of responses:** Promoting assistance from carers improved accessibility which enabled participants to engage with interviews in a highly supported environment and more fully with the process.
- **Equity and Fairness:** While higher incentives are justified in these cases, it was essential to ensure that the overall research process was fair and equitable for all participants. Ultimately these decisions were made on a case-by-case basis, taking into account specific circumstances and ethical considerations.

## QUALITATIVE INCENTIVES

| Table 1. Incentives paid per person across each phase (qualitative - large groups) |                |                   |  |
|--|----------------|-------------------|--|
| Method   | Customer forum | Customer workshop | Customer Panel   |
| Duration   | 3 hours each   | 3 hours each      | 32 hours each (4 days)                                   |
| Phase 1  | \$180          | N/A               | N/A  |
| Phase 2  | \$180          | N/A               | N/A  |
| Phase 3  | N/A            | \$180             | N/A  |
| Phase 4  | \$180          | N/A               | N/A  |
| Phase 5  | N/A            | N/A               | \$1,920 (\$400 following day 1<br>\$1,520 on completion) |
| Phase 6  | N/A            | N/A               | \$1,920 (\$400 following day 1<br>\$1,520 on completion) |

NB: in some cases, participants were not paid the full incentive amount. This was particularly in phases 5 and 6, where some participants did not attend all sessions due to family emergencies or illness (and were paid a pro-rata incentive amount reflecting their participation time).

**Table 2. Incentives paid across each phase (qualitative - small groups and in-depth interviews)**

| Demographic/M method | People Living with Disability (paired interviews) | CALD Focus group | First Nations Focus group | SME Focus group | Value Makers                    | Major developers, Business and Govt Stakeholders |
|----------------------|---|------------------|---------------------------|-----------------|---------------------------------|--|
| Length               | 1 hour each                                       | 1.5 hours each   | 1.5 hours each            | 1.5 hours each  | 1 hour in depth interviews each | 1 hour in depth interview each                   |
| Phase 1              | \$80  | \$80             | \$80                      | \$140           | \$120                           | No incentive                                     |
| Phase 2              | \$80  | \$80             | \$80                      | \$140           | \$120                           | No incentive                                     |
| Phase 3              | N/A   | \$80             | \$80                      | \$120           | \$120                           | No incentive                                     |
| Phase 4              | \$80  | \$80             | \$80                      | \$120           | \$120                           | No incentive                                     |
| Phase 5              | N/A   | N/A              | N/A                       | N/A             | N/A                             | N/A  |
| Phase 6              | N/A   | N/A              | N/A                       | N/A             | N/A                             | N/A  |

NB: for the smaller groups, some only go for one hour due to the nature of the demographic whilst some go for 1.5 hours.

### QUANTITATIVE INCENTIVES

In the quant, data was collected via the use of online market research panels. Online panel research is a well-established and robust data collection method where a panel of residents agree to participate in surveys and other research activities. They are managed by specialist panel companies who recruit through various methods such as online advertising, social media, email and direct phone call drives. These companies target a wide range of audiences in their recruitment to ensure people from all walks of life are well represented. Once recruited, panellists complete surveys and other research activities in exchange for incentives, such as cash, gift cards, or points that can be redeemed for rewards.

The primary panel company used was Lightspeed Research, which is one of the largest and most reputable online panel operators in Australia. Lightspeed have access to multiple consumer panels including their main panel known as Life Points (used in phases 1-4), as well as Research Profiles Red Planet panel (used in phases 1-4) and Octopus Group's main panel (used in phases 1 and 4 only). Participants on Life Points and Red Planet are incentivised with points which can be exchanged for e-gift cards, merchandise and experiences.

**Table 3. Value of incentives paid for each survey response (quantitative)**

| Phase and survey          | Overall average length of interview (minutes) | Life Points estimated \$ amount of Life points distributed per survey | Red Planet estimated \$ amount of Qantas points distributed per survey | Octopus Group cash incentive distributed per survey |
|---------------------------|---|---|--|---|
| Phase 1 Max diff          | 13  | \$1.00  | \$1.30   | \$4.20  |
| Phase 1 DCE               | 19  | \$1.25  | \$2.10   | \$5.32  |
| Phase 2 Validation survey | 16  | \$1.25  | \$1.60   | NA  |

|                           |    |        |        |        |
|---------------------------|----|--------|--------|--------|
| Phase 3 Validation Survey | 21 | \$1.50 | \$2.20 | NA     |
| Phase 4 DCE               | 19 | \$1.50 | \$2.00 | \$5.32 |

**CUSTOMER ENGAGEMENT SUPPLIER ACCREDITATION**

Verian was the key partner for Our Water Our Voice. Verian is a research company which is ISO accredited and audited annually on their compliance with the ISO 20252:2019 standard. This standard covers market, opinion and social research including insights and data analytics. Verian is also an organisational member of ADIA, and some members of their team are individual members of The Research Society, ESOMAR and IAP2. Verian adheres to the guidelines these organisations provide regarding incentives.

In addition, Verian vets all their sub-contractors rigorously prior to admission to their approved supplier list. Only suppliers who have either ISO 20252 (Market and Social Research) or ISO 26362 (Research access panels) accreditation are commissioned. When conducting online quantitative research, Verian only works with/uses accredited double-opt-in market and social research panels. Verian ensures that the ACMA Do Not Call Register is utilised and honoured by relevant suppliers.

**TOTAL SPEND ON OUR WATER OUR VOICE 2022-2024**

Total amount spent on Our Water Our Voice 2022-2024 (including incentives) was \$3,747,579.00 nett.