

## It's a Qual World

**Susan Abbott, CMRP**

Abbott Research & Consulting

Bundled up in a sleeping bag in my frozen living room, I tuned in to Newstalk 1010 for information about the Christmas 2013 ice storm that left hundreds of thousands of people without electricity, some for more than a week. I was amazed as one spokesperson after another advised the powerless and connectionless to “check our website” for information. What seemed reasonable to the spokespeople was obviously ridiculous to me – clearly they were not immersed in the experience of their customers.

The power of great qualitative is that it brings the whole team into the world of the customer. Being immersed in the customers’ experience of your product or service doesn’t just provide useful insights, it is fertile ground for building genuine empathy, which galvanizes creative thinking and motivates action.

The technology to support qualitative immersion just gets better and better. Activity-based platforms, online discussions, participant video, online projectives, mobile access – the tools for online qualitative are fantastic.

Consumers generally have few technical problems using these sites. But clients, using a locked-down computer standardized on out-of-date browser technology, often can’t watch the live action unfolding unless they do it from their own computer at home. Apparently IT did not get the memo about the importance of seeing through the customers’ eyes.

If you don’t have this problem, go hug your IT person. If you are using Explorer 7 or 8, show them this column and tell them you need a current browser in 2014 to do your job.

## Ask Dr. Ruth

**Ruth Corbin, CMRP**

CorbinPartners Inc.

Dear Dr. Ruth:

I ran a focus group session on a controversial political topic. A participant surreptitiously recorded the session, and then gave her recording to a journalist. Excerpts of the focus group discussion appeared in the newspaper, and my client is furious. Can my (now former) client bring a complaint about me to MRIA? Who can I sue?

*Wrongfully Wrecorded*

Dear Wrongfully:

This doesn’t sound like promising circumstances for jumping on the lawsuit bandwagon. Think about the formidable costs, the additional publicity, and the uncertainty of how the law will be applied.

As for your client, he can send in a complaint about anything, including the day you wore mismatched socks to a meeting with his CEO. The question is whether MRIA will hear the complaint through its complaint

## Incentive News

**Margaret Brigley, CMRP**

Corporate Research Associates

Recently, MRIA members have questioned whether tax should be charged to clients on incentives distributed to participants. This article will hopefully put this topic to rest and, more importantly, ensure that MRIA members are prevented from costly mistakes!

A decade ago, at the request of a client, Corporate Research Associates Inc. sought clarification from Canada Revenue, asking if incentives should be taxed. Two specific scenarios were presented for clarification, namely, should tax be charged:

1. When we pay each participant directly an agreed amount of cash incentive and invoice the client for the amount paid, or
2. When the client provides the incentive to us prior to the groups (often the case with facility bookings) and the funds are distributed to each participant after the group?

The rulings for both scenarios were quite clear and are consistent with what the tax rules are today: **Yes – tax must be charged on incentives.**

According to the Canada Revenue Agency: “For GST/HST purposes, the entering into of an agreement to supply

any service is treated as a supply of the service made at the time the agreement is entered into. GST/HST applies to any prepayment or part payment of the compensation for a supply, even if, at the time of payment the service has not yet been rendered. Also, the actual provision, if any, of the service under the agreement is treated as being part of the supply of the service made at the time the agreement is entered into and not as a separate supply.

Where a client is required to issue a payment to the total amount of the incentives to be paid to the focus group participants, this is considered to be part of the cost of making the supply, and thus subject to GST/HST.”

While this ruling is especially relevant for qualitative research, it also applies for any quantitative studies where incentives (cash or purchased items) are provided to respondents and charged to the client.

Make sure that your business is in compliance with the law. More so, understand that if audited, businesses that do not charge taxes on incentives will be responsible for payment of all taxes outstanding. **That’s the facts (and the law)!**

If you have questions, contact a Canada Revenue Agency Technical Interpretations Officer in your region.