

Top 5 Critical Steps to Make Your Research and Insights Firm More Profitable

Produced by ESOMAR in association with Deltek and the Australian Data and Insights Association (ADIA)





The pandemic: risk or renaissance for the insights sector?

To those who didn't get the memo, the COVID-19 pandemic demonstrated that adapting to digital methods is key to thriving in today's market research and insights sector.

According to ESOMAR's annual Global Market Research Report (GMR), the industry grew an enviable 8% in 2019. The trend towards greater use of technology was already apparent back then, with 11.5% growth for tech-enabled research compared to 4.3% growth for more traditional research methods.

When the lockdown first hit in March 2020, it prevented face-to-face research and forced people to work from home. Many researchers were very pessimistic as projects were cancelled or put on hold. ESOMAR's [Insights in times of COVID-19](#) study published last May predicted the US\$89.9 billion industry would shrink by up to 22% due to widespread uncertainty.

One might have expected that investment would also shrink, but the reverse actually happened. According to a [Cambiar 2020 study](#), investment in the sector increased by 61% in 2020, as venture capital markets viewed services such as consumer understanding as essential for coping with the evolving situation. According to the study, tight budgets forced clients to turn to technology to get the insights they needed faster and cheaper. This has meant that many technology-enabled insights companies have prospered.

This growth in investment is reflected in [ESOMAR's latest GMR Report](#) which shows that whilst the traditional market research sector shrank by 3% in 2020, the tech-enabled industry grew by a remarkable 10%. Any firm that has not yet adapted to online data collection has had to pivot fast to working remotely and this has further accelerated the ongoing shift to digital methodologies.

In this whitepaper, we talk to members of ESOMAR and ADIA, including winners of awards for innovation and operational excellence, about which practices help companies to flourish in uncertain times. These interviews highlight five steps that are essential to boosting resilience and profitability.

STEP
1

Enhance collaboration amongst remote teams

Like other research companies, London-based IFF Research, which won the MRS 2020 Award for Operational Excellence, had to switch to online working almost overnight. CEO Jan Shury says the company was already set up for most of the interviewers and some managers to work from home. "It was a big step however to migrate from 5% to 100% at just a couple of days' notice but we had the infrastructure and working practices, so we knew we could do it".

To support the mental well-being of those staff who found working from home stressful, the company introduced group chat sessions, virtual events and a buddy system to enhance connections. Shury underlines the company's ethos. "The key to helping us navigate this period is that team members share a strong sense of what they want to achieve and a culture of trust and respect which is vital for successful collaboration."

He notes that virtual meetings are fast and focused. "We prefer to work in small groups with a well-defined topic where we have done the groundwork. The same goes for working with clients as you can always share the recording."

IFF specialises in education, housing, work and welfare policy development. More recently it has also helped governmental bodies understand why some people comply with COVID-19 requirements and others do not. Studies also uncover how businesses and households have responded to the pandemic, and what it has felt like for teachers and students. In addition to supporting their own team, IFF also runs a premium service for clients, with guest speakers talking about health and well-being.

To facilitate project-based working and workflow management, IFF uses Deltak's ERP solution. "Whilst the transition has taken time, it provides greater visibility of information. This helps us to understand what we have done, and to use that as predictors of what we will be able to achieve" says Shury.

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- JAN SHURY, CEO, IFF RESEARCH



STEP
2

Proactively manage projects every step of the way to drive business success

Some researchers worry that processes might hamper innovation but for Angela Brooks of McNair Yellow Squares in Sydney, they simplify how you view a project, so you can be more creative.

In addition to commercial projects, the agency does governmental work including research for health, housing and education for which ISO standards are mandatory. Now that strict privacy rules apply to data processing, compliance with professional codes and laws is vital and McNair Yellow Squares, who is a member of ADIA, carries the ADIA Trust Mark.

According to an ADIA study to assess the impact of the pandemic, a majority of their member firms had significantly changed how they were running their businesses by April 2020. Some reported that up to 90% of staff were working from home, over three in five firms had reduced operating costs, and almost all reported cancelled or deferred projects due to the lockdown.

For McNair Yellow Squares, COVID-19 has actually meant more projects, so the company is managing greater volume with the same level of resources. It had to quickly switch from face-to-face to online qualitative and now has a bespoke discussion board platform.

According to Brooks, "Processes help us to deliver high quality data and clients come to us because they trust the data and insights. Returning clients add profitability because each time you repeat a project, it becomes easier and faster. We're more organised which helps us to be agile."

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- ANGELA BROOKS, CEO, MCNAIR YELLOW SQUARES

Up-to-date manuals, educational support and documentation are important so work can be easily replicated even when working with different teams. Brooks comments "These days, clients want to start almost immediately and processes help us to respond to these quick demands."

Brooks says that using project management software supports every facet of the company's work. "We need to manage our resources and casual workforce so we can communicate schedule shifts. All our projects are in the system, which we review weekly. It goes from proposal through to delivery, validation, invoicing and payment, and checking everything has been done. Every step of every job is templated."

Quotations itemise what has been agreed with the client, which is then updated in the system for the contract and invoicing. "This helps our financial director predict and balance expenses against revenue and gives us control over our financial situation so we know exactly where we are at any time." In an uncertain economy, this level of control is essential.





STEP 3

Set the right digital strategy

Technology can drive competitive advantage but it's important to define the right technology strategy and to ensure that clients feel comfortable about using new sources of information. Agencies are more likely to succeed if their strategy includes offering dynamic, digital services which can predict emerging trends and help clients understand how consumers habits are evolving.

This increased use of technology pre-dates the pandemic. 2019 digital data collection had already increased 15.5% over the previous year according to [ESOMAR's 2020 GMR Study](#), with artificial intelligence (AI) and real-time customer feedback growing faster than traditional research.

The pandemic has made it even more urgent for clients to be able to monitor ongoing changes in behaviour. This has led to an upswing in the use of AI and analytics to listen more closely and consistently to consumers by collecting and analysing social media data.

In a world where the Top 25 companies generated 47% of the sector's global turnover ([ESOMAR's 2020 GMR Study](#)), it can be challenging for smaller companies to compete but according to Garreth Chandler, CEO of Evolved Group in Melbourne, they may have an advantage if they can test, learn and adapt more quickly.

Chandler says his company uses AI, natural language processing and text analytics to help clients listen to what people are saying online about their products and services. This can identify opportunities and solve inefficiencies, and replace or augment traditional surveys.

As some clients are wary about experimentation, Evolved, which is a member of ADIA, and winner of multiple awards including ESOMAR's 2019 award for Innovation & Technology, took a step-by-step approach by inviting some clients to try out the new service. Ensuring that clients' historical trend data as well as in-house data, such as occupancy rates, could be incorporated in the system, was vital.

Two years later "all our customer experience and employee engagement research clients, in most of our strategic projects use this service which became more relevant as face-to-face qualitative research was not possible due to the lockdown."

Some companies struggle with introducing new technology, but Chandler advises them not to be intimidated. "Don't assume that it's necessarily more expensive, or requires much more expertise, because one of the advances of the last decade has been open architecture, meaning a far more flexible world where API's can help organisations use technology to build quite complex ecosystems."

STEP
4

Optimise your resources, talent and expertise

The pandemic has created huge pressure to make the most of reduced budgets and to identify what is vital, especially when navigating an uncertain recovery.

Darren Lewis, country manager at Kadence UK, recalls how tough it was during the lockdown when projects were put on hold. “We participated in the furlough scheme where the government paid a proportion of some people’s wages for a period. We have always prided ourselves on the quality of our work so maintaining this and investing time to explain new online methods to clients was difficult with a lower headcount.”

The company switched projects, such as qualitative groups to digital, and ran webinars and training sessions to help clients explain online approaches to their stakeholders. “We also used augmented reality testing as you can’t do pack testing face-to-face.” During this period, Kadence, a multiple award-winner, still won awards and was also nominated for best SEO campaign.

The company calls itself a global boutique, so what does that mean when managing financial information, finite human resources and competing with the larger global companies that have huge centres for operations and project management?

“We have global reporting and financial information and there’s lots of tools you can use for that. We keep as much as possible in-house to uphold the quality of our work so we do things like scripting, hosting, analysis and segmentation ourselves. That said, if a brief requires expertise that we don’t have in-house, we will find a specialist.”

To contain costs, Kadence has a data processing team in the Philippines working closely with data analysts in the US and UK. “We have an amazing design team and they work across the UK, Singapore and Indonesia. We optimise the use of local players and connections but the global chain must be seamless for this to work.” Where the company doesn’t have an office, it works with an approved list of firms that must have an ESOMAR member and the same approach to quality.

“The boutique aspect is in client consultancy, where we offer a personalised and flexible service which is difficult for big companies. You’ve got to work closely with clients and take the time to understand them and their business.”

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- **DARREN LEWIS, COUNTRY MANAGER,
KADENCE UK**

With around 350 people worldwide, the firm applies a ‘One Kadence’ principle with a company-wide intranet, a newsletter and management reports covering individual markets. The global ICT team helps everyone operate to the same standard.

Templates ensure that vital insights are highlighted and stand out clearly as clients receive so much information. The firm also stresses consistency in marketing messages and content frameworks for global studies, even if they include local differences across countries.

Thirteen languages, including Mandarin, are spoken in the London office where there are 25 staff excluding the phone interviewers who work on a flexible basis. Having native speakers is invaluable to understanding cultural nuances and the location of the CATI call centre in multi-cultural London also makes it easier to find people who speak specific languages for interviews and translation.

Team members must be capable in both qualitative and quantitative. Lewis adds “We have a team of specialists in terms of research knowledge, techniques and experience and generalists in terms of the sectors that people cover. You often get briefings where you need to mix methodologies and you want to have a consistent team working with the client.”

With most firms applying a hybrid office and home working model, Lewis foresees that many agencies will also want to limit headcount and add freelance resources in returning to a sustainable business during an unpredictable recovery.



STEP
5

Create added value for your customers and build your brand

Researchers need to think more about how to make research impactful and interesting, and help clients apply it to their decision making, says Lucy Davison, founder of Keen as Mustard in London. Her specialist communications and marketing agency assists global companies like Coca Cola, Purina and Merck to communicate insights internally.

According to Davison, researchers should focus on the potential to engage and delight not only their direct clients but a range of other decision makers in the company. Researchers should identify the different internal audiences and stakeholders in the client company and what materials they might need in addition to the report. "Think about delivering a communication campaign to convey the research results and do that in a variety of different ways. You can use video, infographics, an email newsletter."

If researchers have to present over a Zoom call, they should send material with the data beforehand and the presentation should start with a brief overview of the vital information and recommendations. "Spend the rest of the time having a conversation because the interesting stuff is the next steps and recommendations. Don't present it, workshop it".

The pandemic means less opportunities to meet clients in person but Davison, who also helps research agencies develop their brand proposition, says that it's always been about how to market and communicate the brand digitally, creating clear, distinct messages that accurately convey the brand identity.

"Come up with language and words that you use consistently around your brand across different platforms" Davison says, noting that some agencies don't fully understand digital marketing, have not considered SEO or done anything with pay-per-click marketing or digital or social media.

Events used to be key to meeting new clients but whether an event is physical or online, Davison advises "Think about why you are attending, and that is not to sell but to share your insights, present the brand and communicate the proposition to gain awareness. You should be looking to build your database of contacts to whom you can present more information and nurture the relationship in the pipeline."

Whilst some agencies have repositioned themselves as technology companies in the increasingly digital environment, Davison comments "We clearly need to explore and use new tools but ultimately it is how you use technology that matters, not the tech itself. The key is to define how you add value in a clear and unique way."

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- LUCY DAVISON, FOUNDER AND MANAGING DIRECTOR, KEEN AS MUSTARD

Conclusion

The pandemic has highlighted that staying abreast of customers' responses is critical for consumer-centric decision making and reducing risk in uncertain times. Figuring out what has changed and whether the change is permanent, has become ever more important.

COVID-19 meant that face-to-face data collection was no longer viable and so uptake of technology has had to accelerate. This is transforming and modernising the sector.

Having introduced a decade's worth of innovation within 18 months, research agencies and their clients are now thinking further about how to adjust to the current situation. Clearly, conditions will only partly revert to pre-pandemic norms as many changes are here to stay.

Many workers have redesigned their homes and habits to fit their new lifestyles and despite the widespread uptake of COVID-19 vaccines, not everyone will want to return to the office five days a week. Mobility levels are lower and working from home or a hybrid model are now the norm. An ADIA survey (wave 4, July 2021) shows that over 95% of member firms expect to continue at least some level of working from home.

The good news is that technology has introduced new flexible ways of working and collaboration. It has also enabled research and insight agencies to work better, faster and more closely with their clients.

Despite today's uncertain business climate, those companies that can harness the benefits of technology are able to work smarter to deliver greater value and enhance resilience and profitability.



ESOMAR

ESOMAR is the champion of the insights and analytics sector. It is the business community for every sector professional. Founded in 1947, the global membership association is a network reaching over 40,000 professionals and 750+ companies in 130+ countries. We support individual and corporate members supplying or using insights by helping them raise ethical standards, grow the demand for insights, and improve its uses and applications by all decision-makers.

ADIA

The Australian Data and Insights Association is the peak industry body for data, insights and research organisations in Australia. ADIA (formerly AMSRO) represents close to 100 of Australia's leading data, insights and research companies, with members employing more than 5,000 employees. ADIA represents traditional research organisations and newcomers who cover data analytics in the growing area of research technology, or 'restech', enabling research to flourish in all its forms and protect and sustain the industry.

To learn more about other strategies deployed by Research and Insights firms to improve profitability, check out this webinar in partnership with ESOMAR.

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US & Canada 800.456.2009 **UK** +44 808 234 3126 **EMEA** +31 30 743 0014 **APAC/AUNZ** +61 2 9126 6030

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