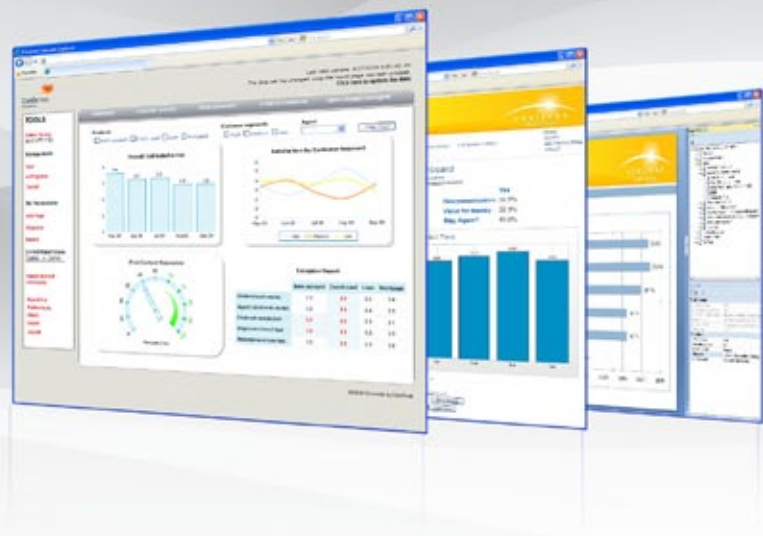


# Market Research

WHITE PAPER




How Your Choice of Software can Help  
Research Earn a Place in the Boardroom

## How Your Choice of Software can Help Research Earn a Place in the Boardroom

The role of Market Research is changing. As the need for 'insight' sits high on the corporate agenda, Market Research is adapting to the delivery of meaningful data upon which strategic decisions can be made. But the journey is far from over, and there is much work still to be done in bringing the role of Market Research to the attention of the boardroom.

Properly managed and executed, Market Research has a direct and positive impact on business direction, giving valuable insight from which informed decisions can be made.

This white paper looks at the role that software can play in helping to deliver meaningful Market Research programs that support your customers' business strategies, and that elevate Market Research to the corporate level.



A long-standing frustration among Market Research professionals is the disconnect between Market Research services and corporate decision-making. While some Market Research activities are now finding their way onto the strategic business agenda, this tends to be the exception rather than the rule.

Despite recent media speculation about the decline of the role of Market Research, ESOMAR's recent report<sup>1</sup> demonstrates that, apart from the past year of recession, Market Research spend has continued to increase year over year. In 2008, the industry reported global turnover of \$32,462 million; a growth rate of 4.5% over the previous year.

### **So, if Market Research is still going strong, why does it not have more influence at the top level?**

A key reason is that Market Research has traditionally lived under the ownership of the Marketing department, itself only a recent (and still frequently overlooked) addition to the boardroom. This often means that research projects are tightly focused on products or services at a departmental level, rather than taking into account strategies surrounding customers and sales processes. In turn, this can lead to a reactionary 'cull' of Market Research services when economic times are tight, since it is not considered a business-critical activity.

#### Predictions 2010: What Will Happen in Market Research<sup>2</sup>

"...market researchers will be pressured to incorporate more innovative tactics like social media into the research mix and broaden their research scope to include more diversified (global) target groups, while maintaining a critical focus on budget and accountability."

**-Forrester Research**

The pressure is certainly on market researchers from all sides to innovate, to increase the influence of market research across their business, and to bring new levels of insight—all within strict financial constraints.

It is this point that we focus on during the course of this white paper. Of course there are many facets to

increasing the visibility of research at the board level, but we are going to focus on the role that technology can play. This is because the way in which software tools are used to carry out surveys and deliver results has a measurable impact on the quality, reliability, and usefulness of research for businesses—and ultimately your ability to bring it to boardroom attention.

#### CAN TECHNOLOGY REALLY MOVE RESEARCH UP THE CORPORATE AGENDA?

The simple answer to this, in our experience, is 'yes'. Think of it in consumer terms: you already know that good or bad application of technology can shape an online shopping experience, whether it is the Web site itself, the purchasing software, or the related Customer Services contact procedures. Similarly, the way in which you implement and use survey software can have significant implications

<sup>1</sup> Global Market Research 2009, ESOMAR Industry Report, in cooperation with KPMG Advisory.

<sup>2</sup> Predictions 2010: What Will Happen In Market Research," Forrester Research, Inc., December 2009.

for the success or failure of your research activities, and for the experience your respondents receive—ultimately affecting the perception of research as a business driver at the corporate level.

A good example of the way in which software has become a key driver for business change is in the area of Customer Relationship Management, Customer Experience Management, or Enterprise Feedback Management: differing terms that broadly refer to managing the relationship between customers and organizations. (For the sake of clarity, we'll refer to it here as Customer Experience Management, or CEM.)

CEM as a discipline has been led by the development of technologies that can better manage the ways in which customers interact with businesses, and that can more accurately assess these individual interactions.

Some industry commentators expect that, over the next few years, the boundaries between CEM and Market Research will increasingly blur: the discipline of gathering research, or feedback, and reporting on the results with detailed 'insight', will not necessarily sit neatly in one department or another.

This is not to say that both disciplines cannot co-exist, but if Market Researchers can make the right decisions and play to the strengths of their long-standing expertise, they are more likely to demonstrate that they are ideally positioned to support strategic issues such as customer service, loyalty, and retention. As a result, they can firmly push the role of Market Research into the sights of decision-makers.

This is where Market Research agencies and departments have a real opportunity to differentiate themselves, by focusing on the wealth of experience they have accumulated in efficient data collection and detailed data analysis. This puts them in a strong position to challenge the newer and less-defined CEM strategists.

## HOW TO MAKE MARKET RESEARCH INVALUABLE

So, what are the 'right decisions' that Market Researchers need to make? To stand out in the corporate world, research providers need to demonstrate that they have not only the skills, but also the tools to meet the needs of their customers and adapt quickly in order to keep up with the pace of change.

### **1 – Be agile**

Being able to respond quickly to customers' needs is an essential requirement for any service provider today. Traditionally a trait associated with smaller, niche players, agility is now firmly in the grasp of any size of research agency with the availability of open, flexible, extensible software tools that enable integration and the quick development of tailored applications.

## 2 - Embrace new technologies

Again, traditionally seen as the domain of small businesses, willingness to take advantage of ongoing technology developments is now apparent across the spectrum of research providers, all seeking to differentiate their services to an ever more discerning client base. In fact, as the Annual Market Research Software Survey 2009<sup>3</sup> points out, 'large firms [are] more adventurous over new methodologies'.

This approach does come with the proviso that you need to ensure you deploy the most appropriate data collection channels to make it easy for respondents to leave feedback, not only to help drive response rates, but also to create processes that deliver timely insight back to the client. In simple terms, new technology needs to work alongside existing methodologies to ensure you reach audiences and customers effectively. 'Because we can' is not a strong reason to deploy a solution: there must be a genuine business driver for such a decision.

With a range of sophisticated software tools available, offering an integrated approach to research and a range of add-ons for tailored activities, agencies willing to take on new challenges will find success in both the short and longer term.

## 3 - Diversify and stand out from the crowd

There is no question that traditional methods of research, such as paper-based, and to a lesser extent CATI—particularly in Europe and the US—are declining. While these methods will continue to play an important role for some time, you must incorporate the shift to online, and, increasingly, mobile methodologies, into your research strategies.

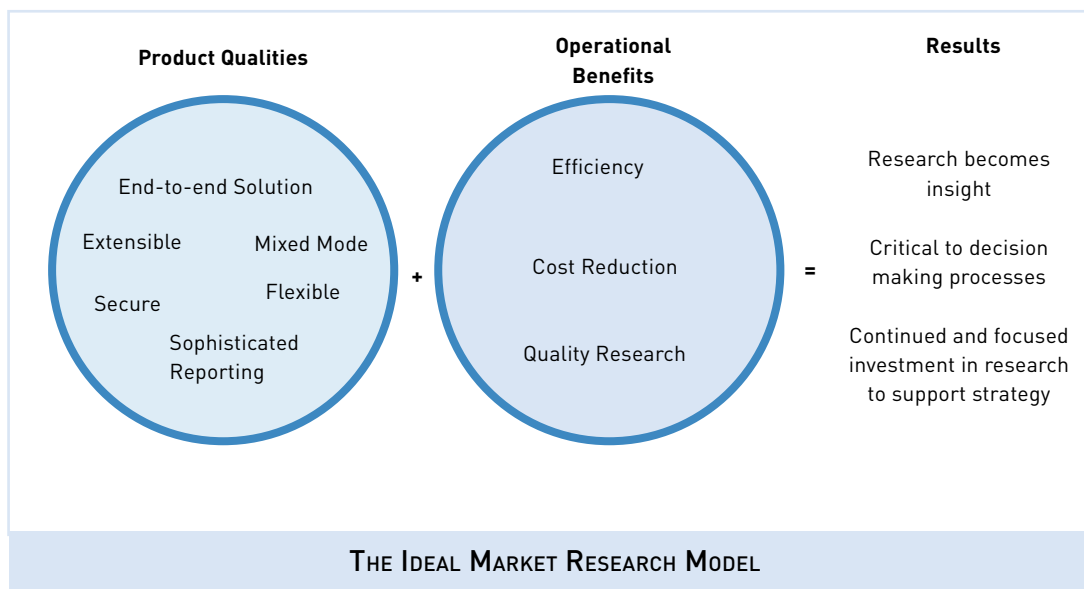
As the Annual Market Research Software Survey points out, 'Web rules supreme', with 94% of companies providing it. Making your Web research services stand out is clearly more important than ever, but to differentiate your business further, you also need to incorporate a range of data collection modes that give respondents wider choice. The opportunity, for example, to include different modes within a single project may be the single factor that differentiates your offering from the rest.

### SELECTING THE BEST SOFTWARE FOR THE BRAVE NEW WORLD OF MARKET RESEARCH

With these strategies for success in mind, the task of selecting the best software platform to support business-critical research programs immediately becomes more focused, and allows you to ask some more detailed questions to refine your choices.

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<sup>3</sup> Annual Market Research Software Survey 2009 (March 2009) by Tim Macer and Sheila Wilson, meaning ltd; sponsored by Globalpark.



Of course, when selecting new software, your business will have particular procurement processes to follow. Within these, though, there are specific areas of focus that will help determine the solution to best support your Market Research processes. These can be split as follows:

### Is the solution end to end?

It may sound obvious, but there are many benefits to implementing a single solution that covers all of your quantitative Market Research processes. By bringing your survey design, data collection, data processing, and reporting activities under one umbrella, your opportunities for consistency, accuracy of data, and economies of scale increase significantly.

If your agency operates at a global level, then the single platform approach adds another layer of benefits, since you can:

- Standardize your operational processes, while maintaining local control of projects
- Deploy global studies more quickly
- Reduce the costs associated with data processing as there is no requirement for merging entirely different data sets from a number of different countries
- Deliver jobs that require different data capture modes more quickly as you don't need to completely re-script a Web survey for CATI use, for example.

### Can it support all of the data collection modes you need, now and in the future?

The Annual Market Research Software Survey referenced above shows that the industry is gradually moving towards the use of integrated platforms for mixed-mode research: 59% of respondents to the survey used an integrated platform, compared to 38% in 2006.

Even if your current research projects are primarily conducted via a single mode,

you are likely to need to integrate some other forms of data collection in the future, to keep up with your competition and the changing preferences of respondents.

You will also need to look carefully at whether the solution you are considering offers true 'mixed' or 'multi' mode capabilities, since these terms are used interchangeably to refer to two different capabilities: changing modes within a single survey response; and capturing data from different modes but using seamless reporting to integrate the results into a single survey project.

The beauty of a true mixed-mode platform is that you can select the mode(s) of data collection most suitable for your survey type, your respondent base, your geographical requirements and any study-specific factors. Whether you focus on Web, telephone, face-to-face, paper, IVR, or mobile surveys—or use a combination of any of these methods—an integrated platform gives you the flexibility you need to tailor your projects while simultaneously lowering total cost of ownership through reduced investment in hardware, and less requirement for repeating the survey authoring process.

A relatively new but essential consideration is the ability of the platform to support mobile research. As cell-only households become increasingly common—one in four households in the US now has no landline phone, according to the Federal Centers for Disease Control and Prevention<sup>4</sup>—research providers must adapt their contact approach if they are to continue to reach their respondent base.

### **Will it reduce your costs?**

Cost is probably one of **the** highest, if not the highest, checkpoint on your procurement list—whether you want it to be or not.

When you are choosing a software platform, however, initial costs are not the only consideration. More important is the longer-term investment implication, or Total Cost of Ownership, of your chosen solution—a platform that costs 20% less than another now may end up incurring higher ongoing costs over the next year, 18 months, and so on.

The single-platform approach provides you with a range of cost savings, even if the initial investment is higher. These savings become clear when you consider:

- Lower operational costs —using a hosted, stable, secure, trusted environment.

### **Challenges of Mobile Research**

'Rapidly advancing technology opens up new sources of information and new research methods....This can be seen as an opportunity and a threat, enabling Market Researchers to expand their services ... but also creating niches for new and adjacent companies to enter if traditional researchers don't act quickly enough.'

**-ESOMAR's Global Market Research Report**

<sup>4</sup> US National Health Interview Survey, July-December 2009, conducted by the Centers for Disease Control and Prevention

- Scalability and dynamic growth—the platform grows alongside your business without the need to invest in additional infrastructure later on.
- Access to a complete range of powerful features in a single solution—providing smaller agencies with the ability to compete on a level with large players.
- Streamlined global projects—through the reduction of data processing tasks and worldwide language support.
- The possible future costs to upgrade again if the system you choose now cannot support your business in the longer term.

As soon as you are up and running with your new platform, a single system brings efficiencies and time- and cost-savings that can be measured and presented at a corporate level to demonstrate a high Return on Investment.

### **Will it make you more efficient?**

We have already discussed the efficiencies that can be gained from an end-to-end platform, and one that provides mixed-mode capabilities. These can be broadly summarized as follows:

- The ability to complete more projects at a faster rate—using a single, powerful authoring environment makes it quick to train employees and get them using the system ; there is no proprietary language; and there is no need to duplicate authoring for differing collection modes.
- Standardization – removing the need to duplicate tasks through the use of templates.
- The ability to re-use existing questions and question libraries.

These process improvements do not have to come at the expense of quality, since a good single-platform solution can also improve the quality of the data you collect and the results you deliver to your clients. In turn, this means you are able to improve customer service and retention, enhance business processes, and add value to your entire survey process.

The single platform approach also offers operational efficiencies from day one. Many assume that implementing sophisticated, feature-rich software must involve a trade-off with extensive IT involvement, intensive training programs, or complicated migration strategies. But this doesn't have to be the case. The Software-as-a-Service model allows the IT processes to be managed for you, with no need to install anything on your own premises. In addition, good software providers will build a migration path for you to move from your old system(s) as seamlessly as possible, ensuring no disruption to the service you deliver to your clients and minimal interruption to your own business.

### **Does it support the delivery of quality Market Research?**

Not all software platforms are the same. There are many products that offer simple research tools at low cost and with little requirement for training or prior software knowledge. While these tools have their place in the market, they cannot compete with the type of tools that are built to support the sophisticated needs of

professional Market Research agencies or departments.

Whether your organization is a global MR agency running multi-country, multi-mode projects, or a small department running local projects, your aim is the same: to provide high quality, useful information to your clients on which they can confidently base sound business decisions. High quality information comes as a result of high quality work, where project scope is matched by the capabilities of the software you use—very rarely, if ever, can this be delivered using a ‘quick-fix’ solution.

Also important to take into account are the risks associated with online surveying, such as ‘professional’, or fraudulent, respondents, and to check whether your chosen software has mechanisms in place to identify and reduce this type of activity, and ensure the legitimacy of your research results.

### **Can it cope with the changing demands of your business?**

It is common to talk about how software can ‘grow’ with your business, and a single platform solution can certainly help. But, over the past year or so, more than ever we’ve seen how market forces compel change in all sorts of directions, placing different pressures on your business’ need to adapt and survive.

The software you implement not only needs to expand to suit your requirements, but must also support different areas of your research activities as their importance to your overall service offering changes. As the balance of your activities shifts, and as new methodologies come into play, the software you employ must demonstrate the agility and extensibility we mentioned earlier if it is to support your business strategy in the long term.

### **Does it give you flexible reporting capabilities?**

While reporting is the final stage of the research process, you are likely to see it as one of your most important criteria when selecting new software. After all, the way in which you deliver the results of your work exposes the capabilities of your research staff, your software, and your understanding of client needs.

The Annual Market Research Software Survey shows that flexibility in reporting is critical to meeting the needs of your different research clients. While PowerPoint continued to be the most popular method of delivering research results in 2009, Word, Excel, printed tabs, online static reports, digital dashboards, PDF, and interactive analysis are all employed across different regions, and by large and small companies alike.

You therefore need to ensure that your choice of software can answer all the reporting needs of your clients, and provide the level of flexibility you require to tailor your reporting to individual projects.

### **Can you integrate it with other systems, or build tailored applications around it?**

Most research projects do not exist in a vacuum. Successful programs are those that link with other business activities, such as marketing, sales, or customer service.

As a result, the platforms that will provide you with the best opportunity for your clients' business-wide success are those that can integrate with other systems, whether these are internal or external. These could be HR, CRM, financial systems, or applications that can import data from sources such as your Web site.

Such platforms mean your research projects can go much further to support corporate strategies, making them ideal for rolling out to enterprise-wide projects that gather information from multiple business activities, respondent groups, and departments.

Additionally, if your chosen platform gives you the flexibility to build your own applications, you greatly increase your ability to react to client needs. Consider, for example, the opportunities that arise from being able to build an SMS survey application onto your Web surveys for wider representation, or creating a bespoke application for identifying fraudulent activity for more accurate results.

### **It is secure and reliable?**

Security of the data you work with is paramount to any software choice, and, dependent on the industries you serve, you are likely to have a list of specific security requirements that have to be met. This is particularly true when you select a Software-as-a-Service application, because you need a guarantee that your clients' data cannot be accessed or tampered with by third parties.

In particular, you need to consider whether the data centers your software provider employs are SAS 70 type II certified, and Safe Harbor certified for the European Data Protection Act. You should also check that any Software-as-a-Service platform is reviewed regularly by professional third party security specialists.

As well as providing peace of mind about your data, you also need to be safe in the knowledge that your chosen solution will consistently deliver high performance, without breaks in service that interrupt your work and damage client perceptions. It is essential that you check the reliability statistics of your chosen platform, and that your provider puts in place Service Level Agreements that meet your needs.

### **Does it support the delivery of insight, rather than just data?**

Having checked off all the other requirements above, it is worth going back to the beginning of our discussion and verifying what end result your chosen software solution will deliver.

If you can answer yes to all of the questions we have posed, the chances are the software you choose will be able to deliver the high quality, business-led insight you need. But this is where you need to spend some considerable time in assessing your final choice, since the results of your research activities are ultimately what will drive their relevance to the corporate agenda. Consider if the results you will achieve:

- Increase the value of the research to your and your clients' business, by providing strategic insight, rather than just data.
- Show a clear link with the other business activities they relate to, such as sales.
- Can demonstrate clear lines of action that need to be taken.

If these outcomes are possible, then it is very likely you will be able to increase the influence of your Market Research activities, providing corporate insights that are as important to take into account within business planning as every other item on the boardroom agenda.

## GETTING THERE—AND STAYING THERE

The brief outline given in this white paper shows that the path to the boardroom is not a simple one. Along the way, there are many factors to consider across your business which are too numerous to focus on in this single paper.

What is clear, however, is that to be successful in the future, Market Research organizations need to push their way to the forefront of the collective business mind, demonstrating that research is not a stand-alone entity but an important contributor to the decision-making process.

As organizations become evermore reliant on 'data' to justify even day-to-day decisions, Market Researchers have a greater opportunity than ever to make their work count at the highest level. If those making the decisions can clearly see the relationship between the operational side of their business and the insight and analysis that Market Research can provide, and be shown how to act upon it, it is possible—and indeed highly likely—that research will be able to take its place proudly at the board table and make a valuable contribution to the corporate discussion.



## ABOUT CONFIRMIT

Confirmit is the world's leading SaaS vendor for Customer Feedback, Employee Feedback, and Market Research applications. The company has more than 200 employees and offices in Oslo (headquarters), Guildford, London, Moscow, New York, San Francisco, and Yaroslavl. Confirmit's software is also distributed through partner resellers in Barcelona, Kuwait City, Madrid, Milan, Pattaya, Sydney, and Tokyo.

Confirmit targets Global 5000 companies and Market Research agencies worldwide with a wide range of software products for feedback / data collection, panel management, data processing, analysis, and reporting. Customers include British Airways, Dow Chemical, Farmers Insurance, GlaxoSmithKline, Halifax Bank of Scotland, HSBC, Intrawest, Ipsos, Nielsen, The NPD Group, Safeco Insurance, Statoil, Symantec, Virgin Media, and Wells Fargo. Visit [www.confirmit.com](http://www.confirmit.com) for more information.



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