

Insights industry experts reveal dramatic changes and investment opportunities

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LOOKING INTO THE INSIGHTS INDUSTRY

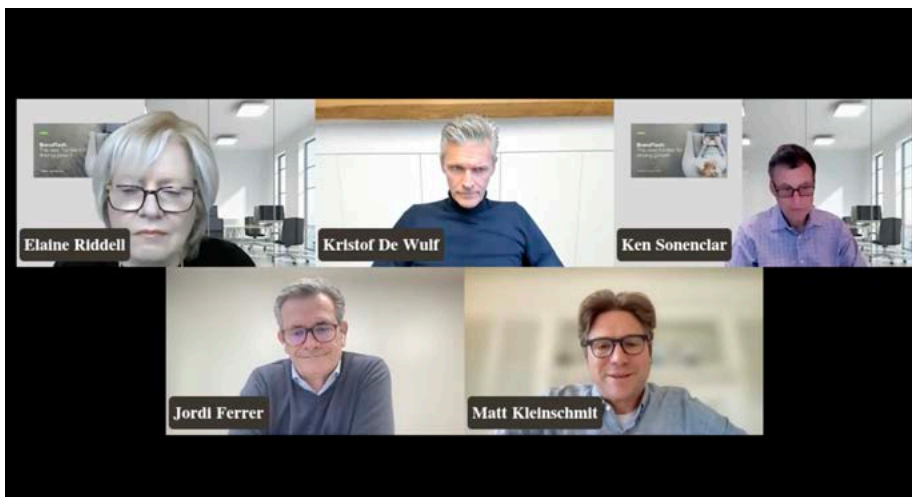
The COVID-19 pandemic; worldwide supply chain disruptions; persistent labor shortages; surging inflation; and the demise of the post-World War II geopolitical order with Russia's invasion of Ukraine. "In any other era," declared Ken Sonenclar, a managing director at Oaklins DeSilva+Phillips in New York and co-head of the company's insights practice, "each of these events would be considered seismic in its own right. But taken together, they've completely thrown much of what businesses thought they knew about their customers up in the air."

With that statement, Sonenclar set the stage for Oaklins' recent webinar on brandtech and key trends in the market research and insights industry. These global upheavals, he noted, have left business demanding faster, cheaper and, most of all, more accurate sources of information to inform tactical and strategic decision-making to power branding building and revenue growth. Enter brandtech, which takes restech (a set of technologies that encompasses software, algorithms and other tools for analyzing and extracting insights from data) and layers on the decision-domain

expertise and market knowledge of consulting market-research firms — the human work — to enable confident decision-making. Together, data-enabled business agility — mission-critical in these disruptive times — is made possible.

Traditionally, most companies rarely engaged in market research, instead basing their decisions on guesswork and intuition.

The Oaklins Insights Panel



Clockwise from top left: **Elaine Riddell** (Oaklins DeSilva+Phillips Managing Director and Insights Industry Specialist), **Kristof De Wulf** (Co-founder and CEO of InSites Consulting), **Ken Sonenclar** (Oaklins DeSilva+Phillips Managing Director and Insights Industry Specialist), **Matt Kleinschmit** (Founder and CEO of Reach3 Insights) and **Jordi Ferrer** (Founder and CEO of Zinklar)



BREAKING WITH TRADITIONAL MARKET RESEARCH

Concurring with Sonenclar, **Jordi Ferrer**, the founder and CEO of Barcelona-based Zinklar, observed that market research has traditionally been an overly manual and complex undertaking, which has made it both costly and time-consuming for clients. As a result, most companies engaged in it infrequently, instead basing their decisions more on guesswork and intuition than on data. Zinklar, said Ferrer, is working to change that by giving a wide range of companies access to consumer insights at any time, in real time.



JORDI FERRER
Founder and CEO of Zinklar,
Barcelona, Spain

Zinklar provides a consumer-insights platform that, according to Ferrer, “is changing the way that companies like Uber and Disney are making decisions.” Founded in 2016, the platform allows businesses to conduct real-time market research in more than 18 countries globally, accessing the opinions of over 140 million consumers.

The Zinklar platform is used by more than 200 large corporate and mid-market businesses. Half of these users are European-based companies, while 40% are in the Americas — especially the USA — and the remaining 10% are distributed worldwide.

Another panelist, **Matt Kleinschmit**, the founder and CEO of Chicago-based Reach3 Insights, agreed. The insights industry, he said, has been falling out of synch with how humans actually communicate with each other.

“It’s shocking,” Kleinschmit told the webinar’s attendees, “but when you think about the year 2022, the majority of the quantitative research conducted globally is still almost entirely reliant on email-based survey methods.” This, he noted, is leading to declining response rates, lackluster results and diminished confidence in traditional market research firms.



MATT KLEINSCHMIT
Founder and CEO of Reach3
Insights, Chicago, USA

To their detriment, market researchers today remain almost entirely dependent on email-based survey methods.

Reach3 and its sister company Rival Technologies are focused on pushing the insights industry into what Kleinschmit characterized as “the third wave — an organic, natural and ongoing way of gathering insights from consumers and stakeholders, and filtering them into business strategies.”

Reach3 and Rival Tech are part of a consumer insights holding company called the Rival Group. Founded in 2018, the parent company launched Reach3 as a full-service consultancy, and Rival Tech as a software company focused on building a next-generation research platform based on mobile chat and mobile messaging communications. The two companies have over 130 employees and have grown by more than 75% over the past four years.

BRANDTECH — THE NEXT FRONTIER IN BRAND GROWTH

Responding to Kleinschmit's description of the market research industry's third wave, **Elaine Riddell**, a managing director of Oaklins DeSilva+Phillips in New York and Sonenclar's colleague in leading the firm's insight practice, said that in Oaklins' view, "restech will enable brandtech, and brandtech is the next frontier in driving brand growth."



ELAINE RIDDELL
Insights specialist
Oaklins DeSilva+Phillips,
New York, USA

"We're living in an era of business agility and resilience," Riddell stated. "With the world changing so rapidly, businesses and brands need always-on insights, so that they can be hyper aware of market dynamics, in order to respond to the changing needs and wants of the consumers that drive brand growth."

At the same time, she added, businesses must address a range of tactical and strategic decisions to foster their growth. "Restech," she explained, "provides the automated, self-serve market research platforms that are supporting an increasing range of decisions with high-quality data collection at a significantly reduced cost, and this is paving the way for greater business agility."

However, she continued, "most businesses never imagined the volume and frequency of data that's needed to survive and thrive in the kind of dynamic marketplace that exists today."

But that's not all. In addition to affordable, quality data, Riddell said that companies also need ready access to experts with deep market knowledge. It is this combination of restech and human expertise that Oaklins refers to as brandtech.

Kristof De Wulf, co-founder and CEO of InSites Consulting, based in Ghent, Belgium, echoed Riddell and Sonenclar's comments on the extent and tempo of the shifts in the market, De Wulf observed that the speed of decision-making has become extremely important. But just as important are the depth and the quality of the insights behind those decisions.

"There is also," De Wulf continued, "a third critical factor — one that is less familiar to market researchers who are accustomed to delivering insights to their clients and then walking away. Today, with market shifts and new data coming so fast and furious, it has also become vital for researchers to help their clients disseminate these insights internally, so they can move on them quickly, and not simply deposit them at their doorstep."

InSites Consulting, De Wulf's company, has been building the necessary technology to achieve all three of these objectives for the past seven years.



KRISTOF DE WULF
Co-founder and CEO of InSites
Consulting, Ghent, Belgium

The choice to develop the needed tech internally was driven by a desire to avoid becoming dependent on third parties and "to retain the ability to write our own story."

Founded in 1997, InSites Consulting has grown over the past 25 years both organically and through a series of eight acquisitions, said De Wulf. Today, it has more than US\$100 million in annual revenue and over 800 employees across 20 different locations.

Jordi Ferrer followed up by contending that developing the necessary platforms to expedite all this should not be project-driven. "It's not about the success or failure of any given client project." A better perspective, he said, is that "the industry needs to develop the means to gain traction with consumers on an ongoing basis."

But Ferrer also emphasized that the data that's collected is not especially helpful if it's too general in nature. It needs to be "more narrow, more specific and support a specific business decision that can be acted on very quickly." In other words, he said, "it's pointless to collect data that isn't actionable."

To extract meaningful insights from the huge amounts of data that are available, Ferrer went on, it's necessary to leverage technologies like machine learning and artificial intelligence, which surpass a human being's ability to sift through and comprehend so much information. But while developing such "algorithmic insights is a dream we all have, we are not there yet," he concluded. "It remains an end goal."

Ferrer also argued that the insights industry desperately needs to improve its engagement with consumers. The widespread attitude that "you can always get someone to fill out a survey" leads to diminishing returns. Yes, you may succeed in getting some people to complete a form, but it's increasingly difficult as consumers are more distracted than ever before and their patience for survey-taking wears thin.

Not giving consumers the sort of experience they were expecting leads to bad data, and bad data leads to bad business decisions.

Referring to their propensity for smart phones and mobile communications, "if we don't meet consumers where they're at," Ferrer warned, "if you don't give them the sort of experience that they're expecting, you will just get bad data and that will lead to bad decisions."

TECHNOLOGY THAT DRIVES A MORE HUMAN EXPERIENCE

"In the late 1990's and early 2000's," **Matt Kleinschmit** pointed out, "we were still capturing a lot of insights through the old landline telephone. That was our primary way of engaging with consumers and capturing data, and then we would employ teams of analysts to dissect it and put together reports for the clients."

"When everything started to move online, and the industry began to embrace the Internet as a data collection tool, it ushered in an era of technology innovation unlike anything we ever experienced before. But," he added, "it also led to a wave of 'tech for tech's sake,'" as a multitude of vendors and solution providers tried to enter the market without a strong foundation in insight methodologies.

Some of those technologies were useful and with each new wave of offerings people in the industry became dazzled by what Kleinschmit referred to as "the shiny new object." But this also fostered an attitude that "every research challenge could be solved with technology, and that insights could be generated at the push of a button."

Over time, Kleinschmit asserted, clients began to understand that "tech didn't really represent the be-all and end-all of research, and that in many cases pushing that button didn't exactly do what they wanted it to do."

So the pendulum swung away from tech and today, Kleinschmit said, "there's an entire generation of clients who feel they got burnt by this overreliance on tech for tech's sake."

When big data first emerged, Kleinschmit noted, the pendulum swung back in favor of tech, and it became tempting for clients to believe that there was now so much data out there that they didn't have to ask anyone anything anymore, but could simply get the answers they needed by mining passive sources of data. Belatedly, they realized that "big data too has its limits. All that data can give you the 'what,' but it can't answer the 'why.'"

Now, Kleinschmit continued, the pendulum is once again swinging back the other way, as the industry becomes focused on more human-based methodologies.

"Today," he said, "we're in a really exciting time that's less between these two worlds of tech and human-informed insights — this evolution, as Oaklins describes it, from restech (tech only) to brandtech (tech plus human work). And we're on the cusp of this really interesting phase where technology can actually provide a more real-world human experience."

Big data has its limits. It can give you the 'what,' but it can't answer the 'why.'

"Research is to see what everybody else has seen,
and to think what nobody else has thought."

ALBERT SZENT-GYÖRGYI

An example of this is mobile chat, which, Kleinschmit said, has become an almost ubiquitous form of communication.

“When people engage in mobile conversations, they forget about the tech. They let their guard down and just share.” And that, Kleinschmit emphasized, is the holy grail for an insights professional — to get consumers to engage in stream-of-consciousness sharing of their opinions. “This,” he declared, “is how you answer the ‘why.’”

When the technology takes center stage, he added, people become so focused on it that it actually inhibits them from letting down their guard and opening up. In contrast, he said, conducting research through mobile chat has led to “incredible results. We’re seeing a degree of depth and richness in the resulting insights that, frankly, I’ve never seen before in my nearly 30 years in this business.”



KEN SONENCLAR
Insights specialist
Oaklins DeSilva+Phillips,
New York, USA

THE BARRIERS TO BRANDTECH

In response to a question posed by Sonenclar about the barriers to advancing restech and embracing brandtech, **Ferrer** replied that while some buyers of market research have invested in a consumer research platform, most to date have not. In part, he said, this is because doing so requires a change of mindset.

Many companies still think about their consumer research efforts in terms of individual projects and budget for them accordingly. A consumer insights platform, however, is a larger investment that isn’t dedicated to one specific project and is continually available to launch consumer research whenever it’s needed. But this all-you-can-eat model entails a different way of buying, using and consuming insights than what most clients have been long accustomed to.

Adopting a consumer insights platform requires a different mindset on the part of the client.

For some clients, Ferrer said, this do-it-yourself model also raises questions about the expertise needed to design and launch a research project. They may not feel they have enough experience in-house to go it alone, and wonder how they will get the support they need if they invest in their own platform. This, he noted, underlines the points Riddell made earlier about how brandtech needs to be a fusion of restech and human expertise.

Another challenge is to provide the depth of research that clients require, something that **Kristof De Wulf** said varies greatly from project to project and client to client. “If you want to go in-depth,” he elaborated, “you have to begin with a deeper understanding of the actual challenges facing the client, before deciding what data to collect, what tools to use or what methodologies to rely on.”

At InSites Consulting, De Wulf said, the research teams are structured around industry sectors and lines of business, so they can “really get under the skin” and obtain as deep an understanding of the client’s situation as possible.

“If we knew what we were doing, it wouldn’t be called research.”

ALBERT EINSTEIN

This includes an appreciation for how the client is organized and undertakes decision-making. “We know,” De Wulf explained, “that many clients will alternate how they make decisions. Sometimes they use a centralized process, at other times it’s decentralized. We need to follow their rhythm and flex with the client to make sure we’re doing what really matters to them.”

Providing in-depth research also means being prepared to support a client who has a broad variety of challenges, and this often means the insights provider must be able to offer a global perspective and research capabilities.

As an example, De Wulf pointed to Consumer Connects, a new InSites Consulting service that combines state-of-the-art technology with human engagement but has little to do with insights or answering a specific question. Instead, he said, “by providing a strong sense of consumer attitudes in a given market, the service can lead to an ‘aha!’ moment for a client.” With companies seeking to get closer to their customers — especially in light of COVID-19, which has pushed people apart and created more distance between consumers and the businesses that serve them — De Wulf said the Consumer Connect service has filled a crying need and grown very rapidly.

THE SUPERPOWER OF INSIGHTS

Wrapping up the discussion, **Kleinschmit** noted that plain old inertia is also impeding brandtech adoption. Businesses, he observed, are often slow to adapt to new models, since the perceived risks of adoption can appear to outweigh the potential rewards. “Clients won’t take up brandtech unless they see a very clear benefit, so we as an industry have to do a very good job of demonstrating the value and benefits that goes beyond simplistic arguments about ‘speed’ and ‘cost.’”

“What we really need to do is showcase the value that research depth and richness brings to an organization. What kind of strategy and tactics can clients employ in a more effective way? What kind of business outcomes can be achieved through deeper, more timely insights?”

“Often, he continued, “the people at companies who purchase research are more risk averse than other types of buyers. So how do we move brandtech into the modern enterprise? We need to speak more broadly to its value and benefits — and not just to the insights buyer, but to marketers and other stakeholders, really showing them how these deeper and richer consumer insights are possible and can actually benefit their organization.”

“I believe profoundly in the power of insights to influence change within our client organizations,” Kleinschmit concluded. “For many of our clients, insights are their true superpower! The one that enables them to reach new markets, win new customers and successfully introduce new products.”

Clients won’t take up brandtech **unless they see a very clear benefit**. So the insights industry has to do a very good job of **showcasing its value**.



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Ken leads Oaklins' insights, data, experiences & analytics team. He is also a managing director at Oaklins DeSilva+Phillips in New York. Ken has advised multiple clients in the market research sector, often through complex cross-border transactions. This includes RDA Group on its sale to Ipsos, Vision Critical Research & Consulting on its sale to Maru Group/Primary Capital, MarketTools/TPG on its sale to MetrixLab, and PhoCusWright on its sale to Northstar Travel Media.



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Elaine is a managing director at Oaklins DeSilva+Phillips in New York. She has deep operational expertise in the insights industry supporting healthcare and, in particular, life sciences as well as consumer-driven sectors and on a global basis. Elaine brings an understanding of the disruptive market dynamics shaping these industries and influencing M&A priorities and spending. This highly relevant market knowledge has enabled Oaklins' insights team to be invited to pitch and to win a majority of these new pitches.

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