



Return on Insights:

How to translate research into revenue throughout the marketing journey



Today's Discussion

1 Should Market Researchers use ROI?

2 What is ROI?

3 ROI Examples

4 Key Takeaways

A little about me...



BS in Finance



MBA Marketing



Financial Services



CPG



Travel and Hospitality



Technology/Restaurant



Quadrant Strategies

We're simultaneously best -in-class researchers, strategists, brand -builders, product innovators, and policy influencers. Too often, companies have to choose one or the other. We excel in all five of these disciplines.

OUR CAPABILITIES

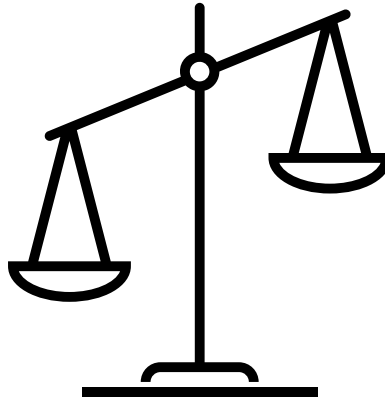
- Qualitative Research
- Quantitative Research
- Digital Intelligence
- Brand & Corporate Strategy
- Creative & Comms Testing
- Customer & User Experience

PROPRIETARY PANELS

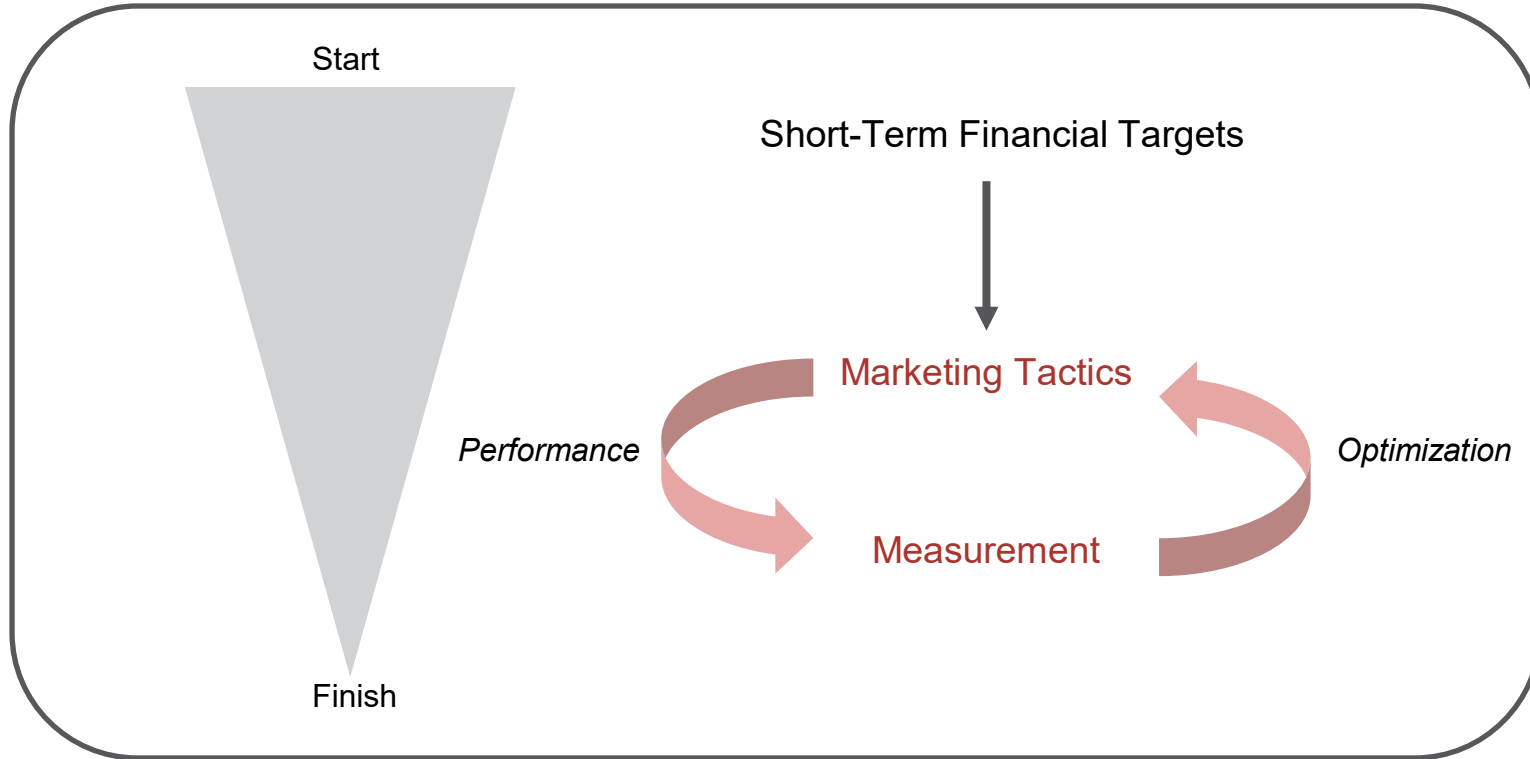
- DC Policy Makers & Insiders
- State/Local Policy Makers & Insiders
- Global Policy Makers & Influencers
- Silicon Valley Tech Leaders
- Small & Med Business Decision Makers
- C-Suite Executives



Should Market Researchers Use ROI?



Many companies implement a top -down approach to marketing strategy...



...and divide all marketing tactics into two key spend categories

Spend Categories

Business Revenue Drivers



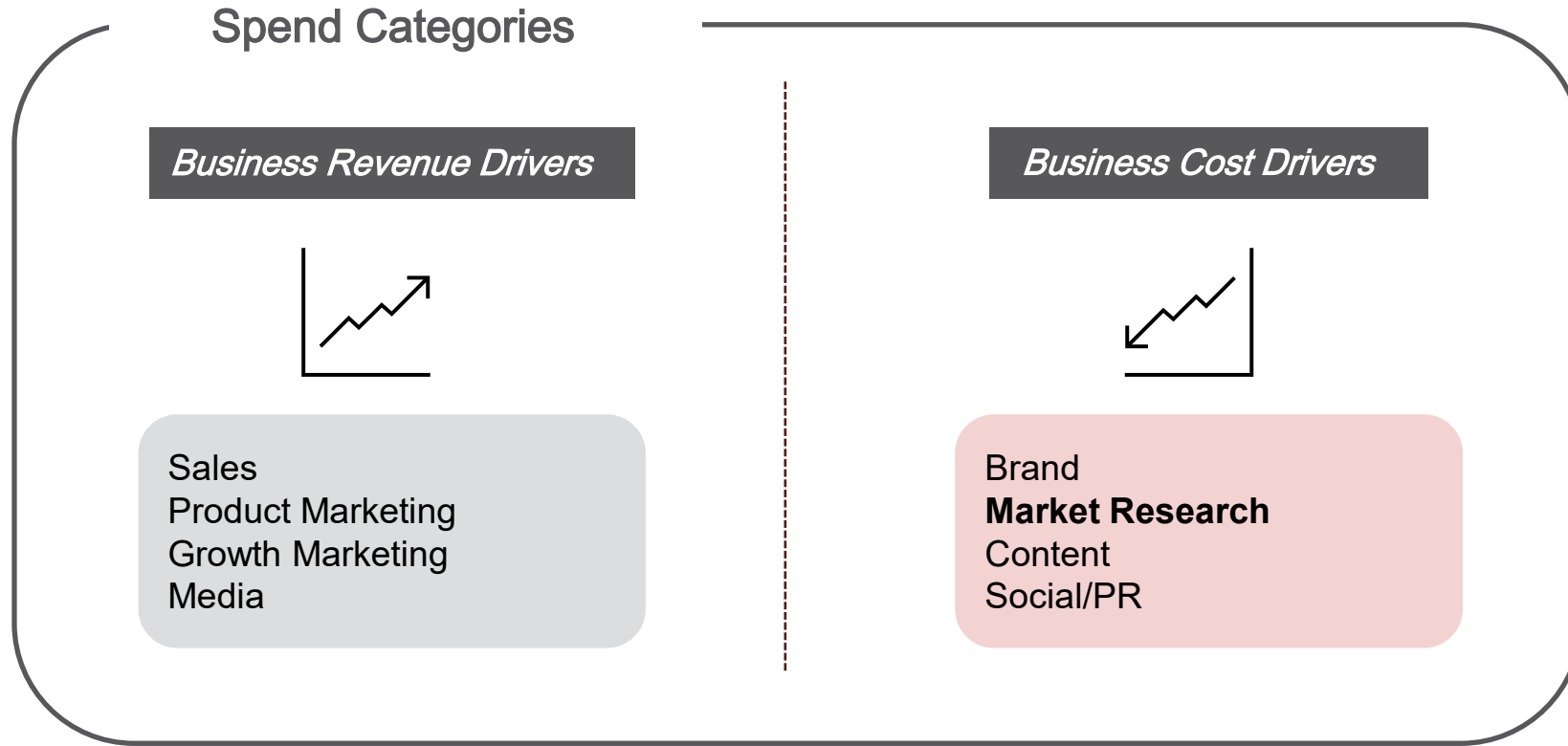
Spend that generates short-term (in-year) revenue in a trackable manner

Business Cost Drivers



Spend that has a longer timeline, and/or does not have a clear impact on revenue

...and **market research** gets put into the cost driver category



It's no surprise that executives are then asking financially -focused (and difficult) questions about research

I can probably guess the answer, why waste the money on that?

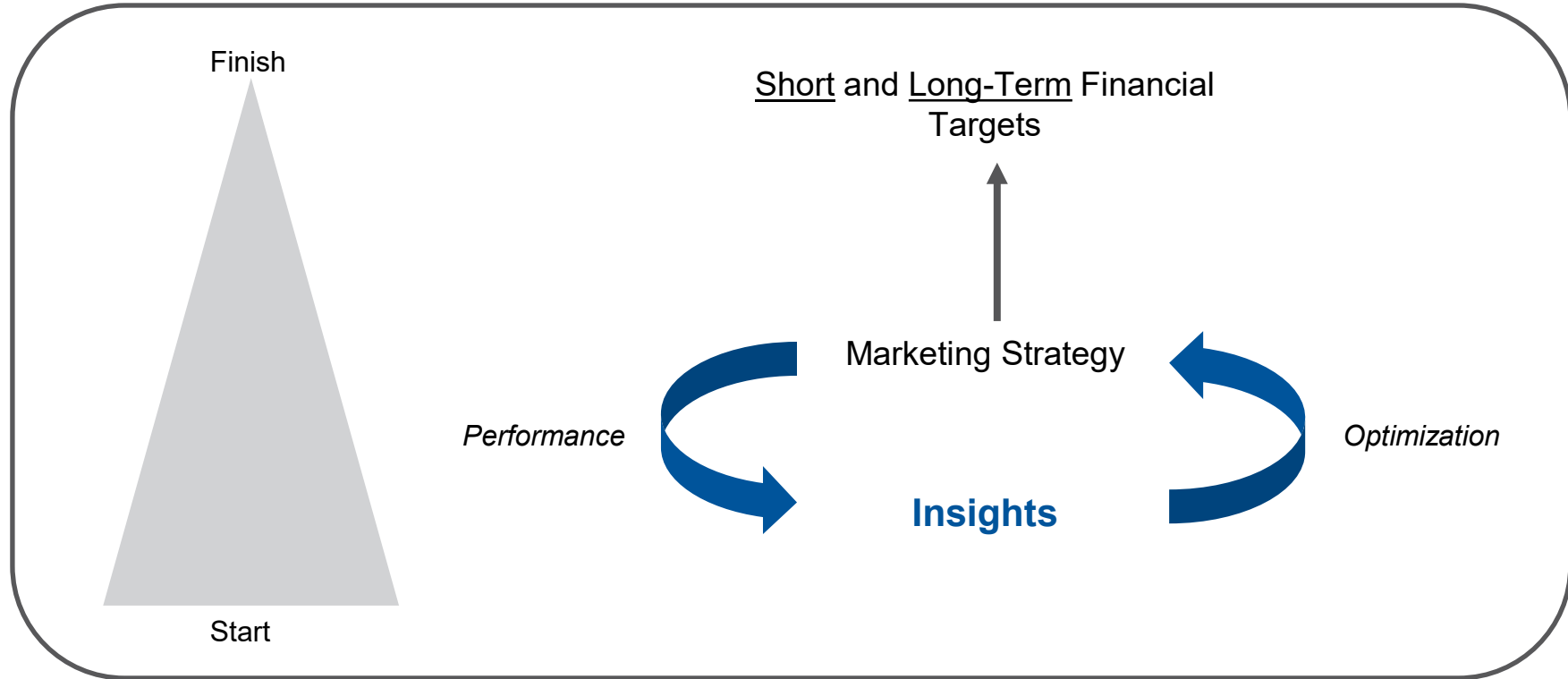
Research takes so long, we need to launch something now, why wait?

How do we change this?

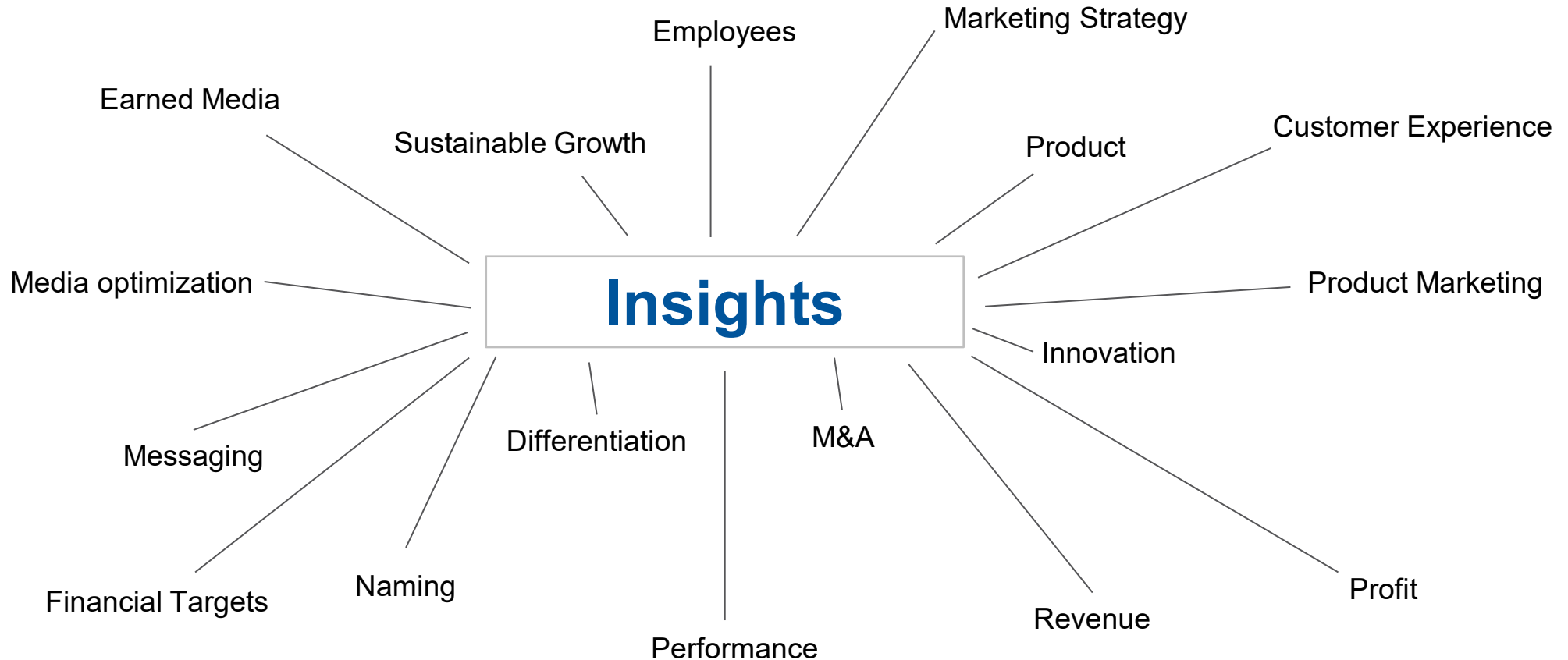
Let's just A/B test, as actual results are better than claimed data, right?

How quickly will we see value of running this research?

First, we need to flip the paradigm to start with **insights** , which will then drive our strategy and help us reach our financial goals as a business



Second, we must embrace ROI , but also redefine it , to show how **insights** are the core of everything we do, and driving value for the business



What is ROI?



Return On Investment is....

“...a metric used to understand the profitability of an investment. ROI compares how much you paid for an investment to how much you earned to evaluate its efficiency.” – Forbes

$$\text{Return on Investment} = \frac{\text{Net Investment Gain}}{\text{Investment Cost}}$$

While ROI appears to only work for clear financial returns, if we reframe the formula, we can assess value from insights and research

Net Investment Gain

The profit generated from the specific investment, above and beyond the investment cost



Net Value from Insights

The direct and indirect value generated from insights above and beyond the cost of the research

Steps to evaluate “Value from Insights”?



Step 1

Is the research aligned with the business objectives?

What is the Value?

This is the first step in transforming the organization from insights-validating to insights-driven

How do you do it?

- Clear research brief
- Strong partnership across the organization

Biggest Misstep

- Research group and business group have separate objectives
- Example: Post-Launch Study

Step 2

Are there measurable financial outcomes?

What is the Value?

This is the clearest and most tangible **direct financial value** that research can generate

How do you do it?

- Analyze multiple forms of “financial gain”:
 - Revenue
 - Profit
 - Cost-Savings

Biggest Misstep

- Focusing only on the direct-response in the short-term
- Example: Tracker Wave(s)

Step 3

Did the research influence key business decisions?

What is the Value?

This **indirect financial value** is the most important component to generate a ROI from market research

How do you do it?

- Integrate research into the attribution model
- Run market tests and other test & learns
- Correlate research with purchase consideration and validate with actuals

Key Misstep

- Ignoring indirect value because it is “hard to measure”
- Example: Naming study

“Just because it’s hard to measure the return on investment doesn’t mean there isn’t value there.” – Tony Hsieh (former CEO of Zappos)

Return on Investment's New Formula

$$\text{Return on Investment} = \frac{\text{Net Value from Insights}}{\text{Investment Cost}}$$

The diagram illustrates the new formula for Return on Investment (ROI). The numerator, "Net Value from Insights", is composed of two parts: "Direct Financial Value" and "Indirect Financial Value", which are added together. The denominator is "Investment Cost".



ROI Examples

Example #1: Campaign Impact Study



What Is It

A quantitative study that measures the impact of an advertising/marketing campaign



Why Do It

Determine if a campaign is driving value and moving key business metrics



Key Metrics

Awareness
Familiarity
Purchase Consideration
Purchase
Loyalty



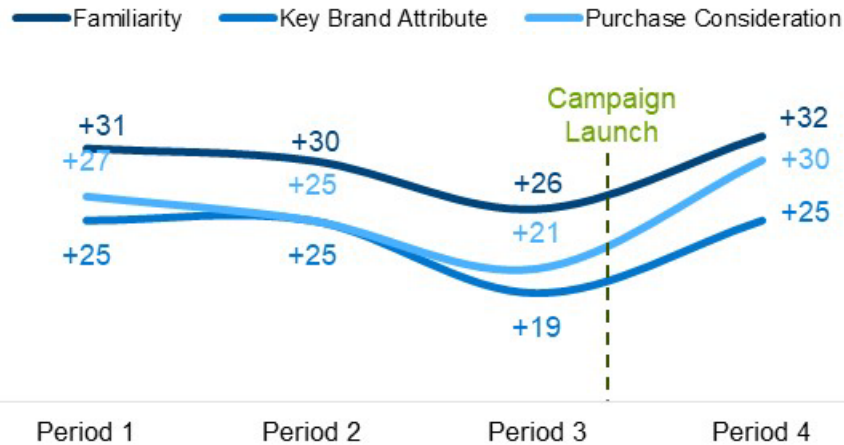
ROI Timeframe

Short Term and Long Term
Run this in multiple waves

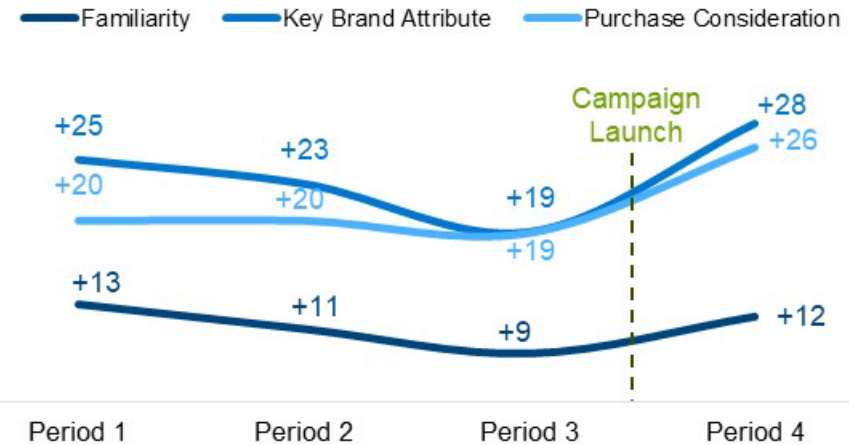
Campaign Impact Study: Analysis and Results

Objective: Can a product-specific campaign drive product and brand value?

Product Performance

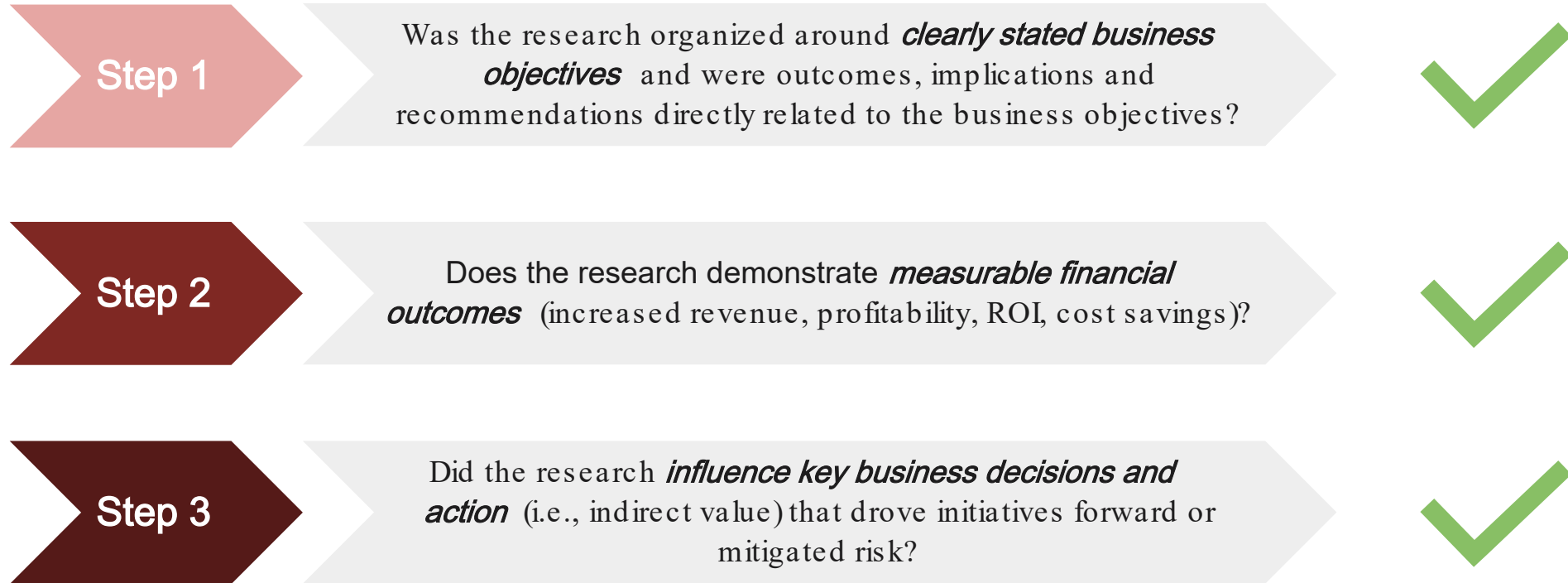


Brand Performance



The process is not over... we will continue measuring over time

Campaign Impact Study: ROI Checklist



Example #2: Messaging Study



What Is It

Online quantitative survey to identify the **most credible and compelling language** to communicate to customers



Why Do It

Prioritizes and builds messaging strategies around the **strongest drivers of purchase consideration**



Key Metrics

Purchase
Consideration

Believability

Differentiation



ROI Timeframe

Short Term and
Long Term

Can calculate ROI
after research runs as
well as after
messaging hits the
market

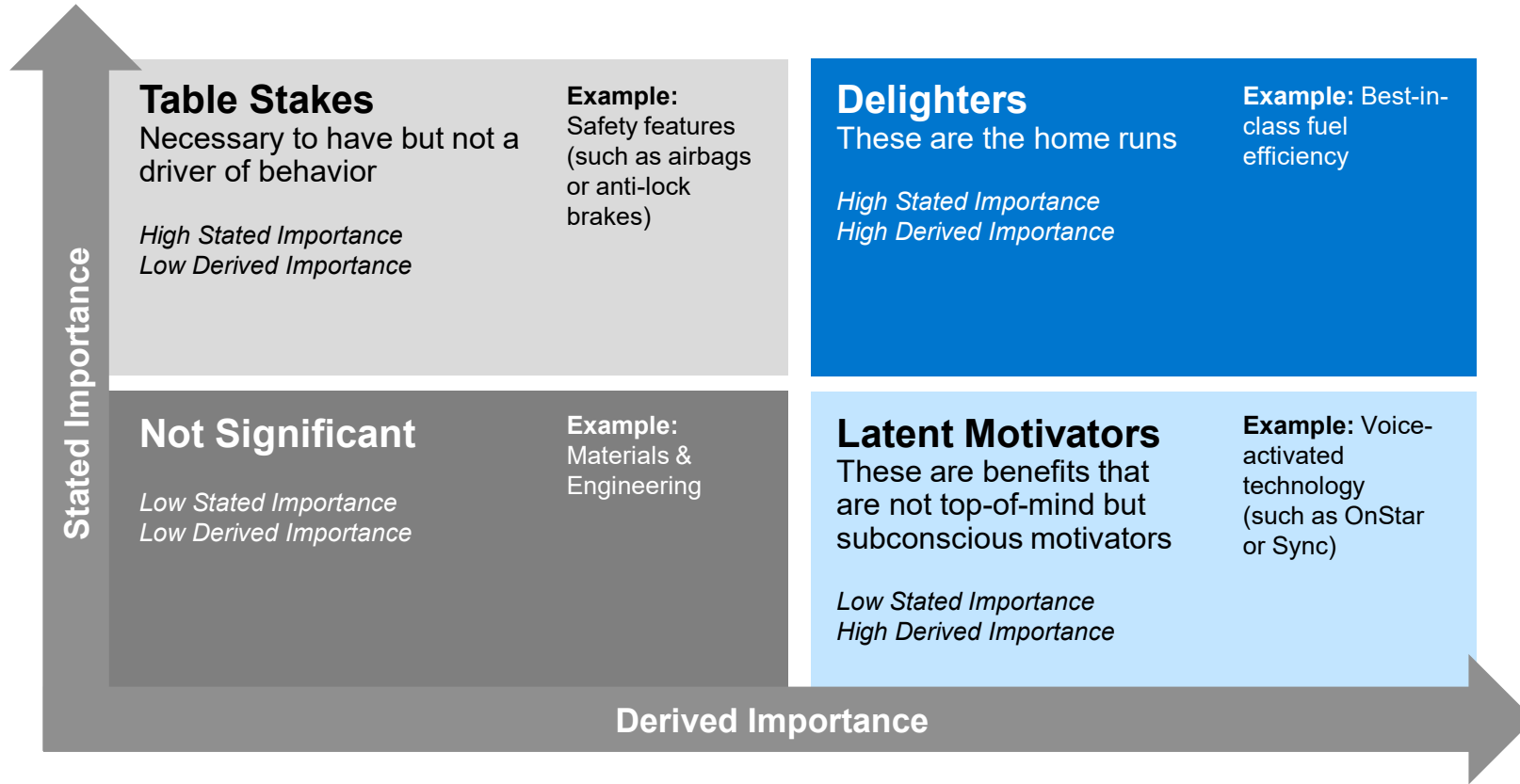
Messaging Study: Methodology

First, we evaluate each message on three metrics and then summarize into one overall message score



Messaging Study: Methodology

Second, we correlate proof points and key features with purchase consideration



Messaging Study: Example Analysis and Results

Message Highlighting – ITDMs

Most compelling language in top messages

Umbrella Message Scores – B2B Decision Makers

Messages Scores <i>Ranked by All</i>	All	ITDMs	BDMs
Message 3	248	263	233
Message 8	240	240	239
Message 1	226	232	220
Message 2	222	225	218
Message 7	213	215	210
Message 4	209	205	212
Message 6	194	190	198
Message 5	170	168	171

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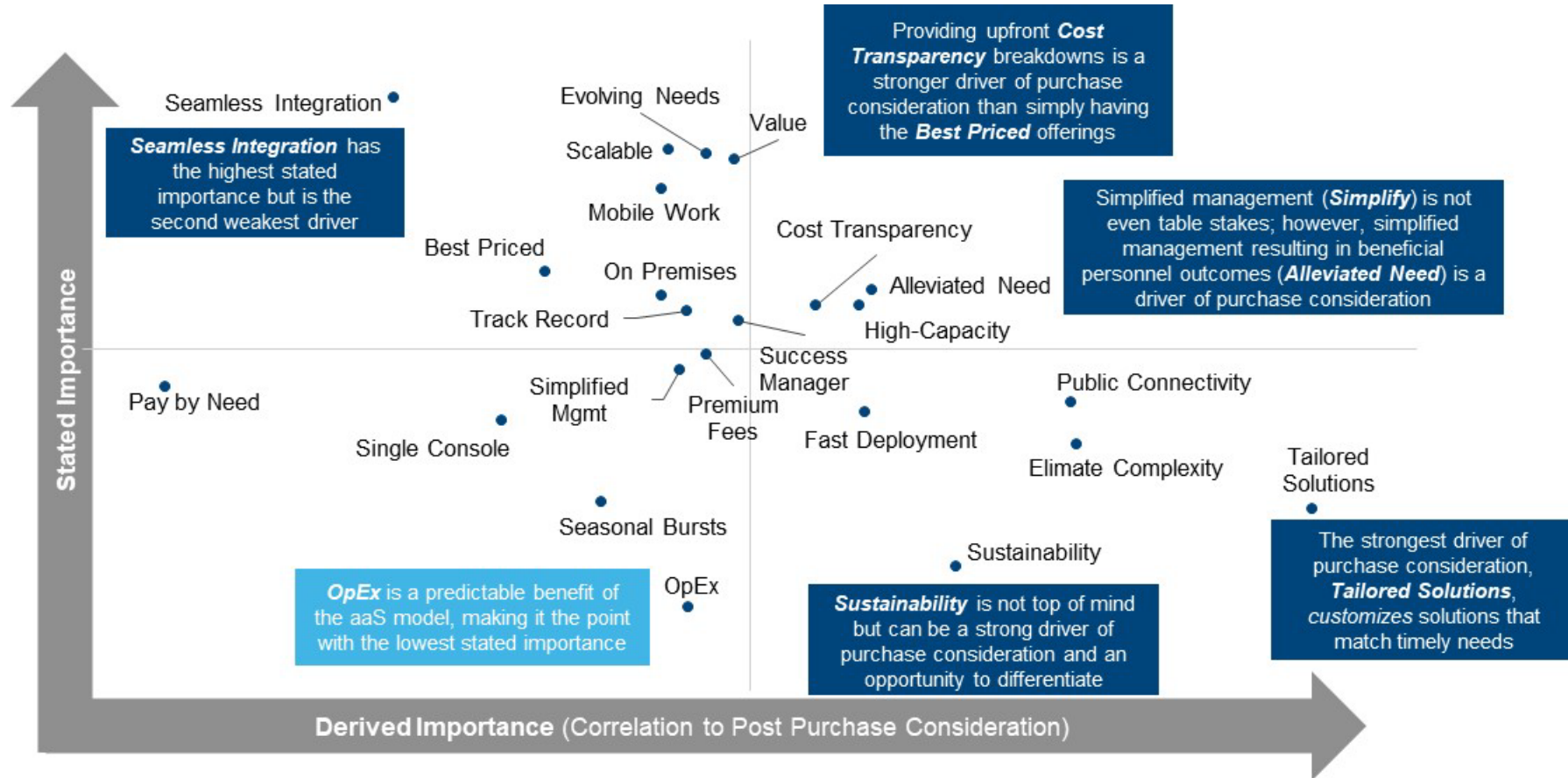
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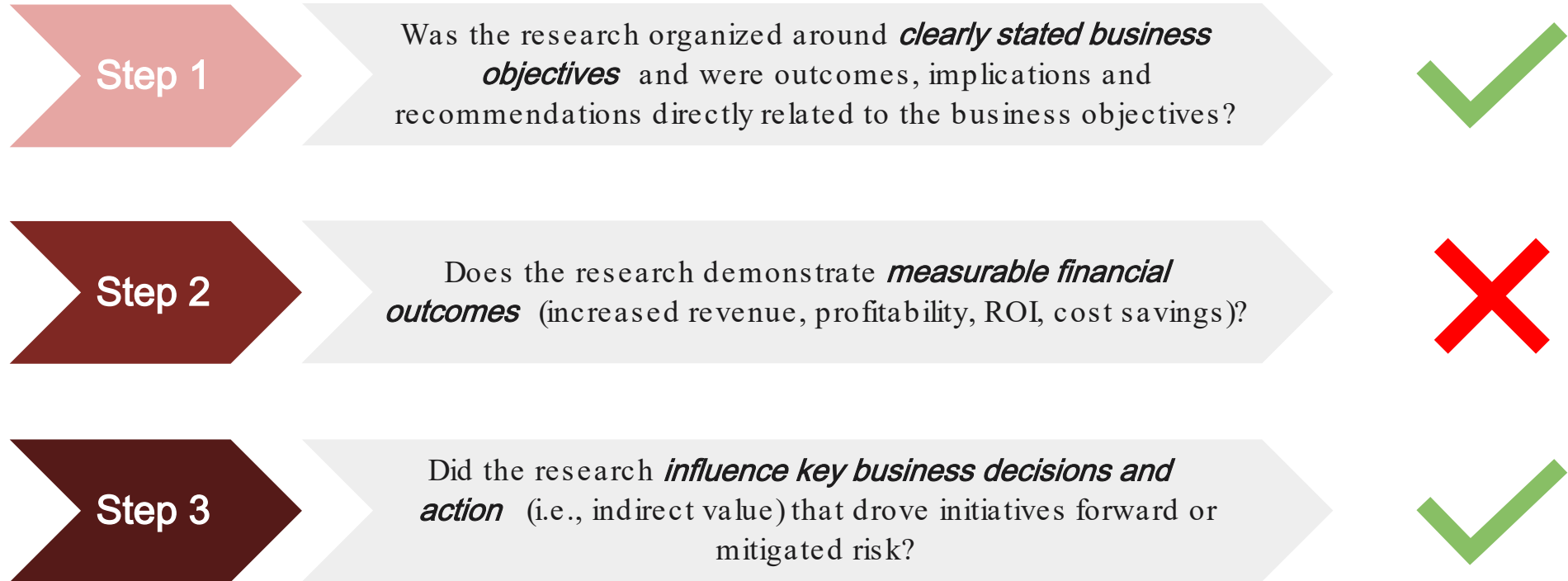
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Messaging Study: Example Analysis and Results



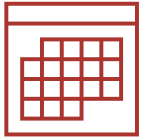
Messaging Study: ROI Checklist



3 Key Takeaways



Embrace ROI: If your company does not have ROI set-up for insights, start the conversation. Implementing and leaning into ROI will not only help transform your company into an **insights-driven organization**, but it may even **increase your budget!**



Timing Matters: Insights and Research can generate a ROI **throughout the marketing journey**, so don't discount the value and only look at the short-term. It is vital to **set expectations** on when and how the return will be generated



Measure All the Value: Insights generates **direct financial value** and **indirect financial value**, with both being important to measure and include in a comprehensive ROI analysis.



