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WHITEPAPER

The rising cost of error for your market research business

Hard work is still primarily driven by people power not machines

While it might seem like we live in a digital era, the market research industry remains firmly welded to its roots in traditional consulting.

This consulting philosophy means that hard work is still primarily driven by people power not machines. Being dependent upon human capital inherently results in slow turnaround times and significant errors. Fixing and finding these errors is a common cause for cost and time blowouts, while missed errors leave both clients and research agencies exposed to unacceptable – and unnecessary risks.

Peek behind the budget of any market research project, and two things will become immediately apparent. First, is the fact that the budget is dominated by the cost of human capital – both in-house and third-party outsourcing. In most market research companies that conduct bespoke projects, either the initial work of data prepping and cleaning or the advanced analytics requiring a specialist will need to be outsourced.

Human capital and the cost of error are highly correlated as using human capital will always carry with it some level of errors. A failure to pay attention to detail, a lack of experience, poor practices and processes are all factors that can lead to errors such as incorrect data formatting, flawed application of techniques and slip ups with the versioning and merging of documents. While these may seem like relatively minor human errors, they can have a tremendous impact on the veracity of your research as well as your company's reputation.

Relying on human capital and the likelihood of errors associated with it, are two highly variable costs that pose genuine risks of a blow-out. For companies that pride themselves and would even stake their reputation on quick, accurate and indispensable work, the concept of letting go of errors is a non-starter. Therefore, valuable resources must be spent going back over work and ensuring that data processing, analysis and reporting all are faultless.

The bottom line is that the time spent catching, tracing, and fixing those errors cost market research companies millions of dollars each year.

The data value chain

Turning data into insights and value can be a highly manual and labor-intensive process.

The typical process of creating value from data contains nine distinct stages.

Stage 1 and 2 involve the capture and collection of unstructured data via surveys, focus groups, interviews etc. This is often done using survey platforms like Qualtrics or SurveyMonkey. With estimates suggesting that up to 80-90% of valuable business data is now unstructured, more and more resources are devoted each year to harnessing this data. After it is collected, this data is then stored in relational databases, data lakes, etc. Stage 3 involves normalizing data to get it ready for analysis. In this stage, data is cleaned, recoded, and stacked, etc. Text data is coded to make it usable for analyses.

The next steps are where the primary analyses are done. Data is tabulated with crosstabs and data cubes. These tabulations then form the basis for advanced analysis – usually undertaken by a different team with a different set of tools. This frequently also involves bespoke analysis and tinkering with the data (e.g., ratios and multipliers) in Excel before it can be visually represented with tables and charts.

Finally, it comes time to make data presentable for clients. Here is where the story or narrative of the insights are weaved together and the PowerPoint presentation with data visualizations, images and callouts is crafted.

If this seems like a convoluted process, keep in mind that it is often made more difficult by using different tools at each distinct stage. Tools, which to make things even more complicated, were designed in the 1960s and the 1970s for distinctly different purposes. While modern data and processes have evolved in the intervening decades, these tools have not – meaning that they are clunky, unintuitive, and often require specialist knowledge of the tools themselves to be able to work with them. As the steps and software aren't integrated, each step of the process is siloed.

The net result of this is that turning data into insights and value is a hugely manual and labor-intensive process. Each person or team in the chain is responsible for disparate functions, meaning that each is often relegated to doing grunt work rather than genuinely facilitating the transfer of knowledge and insights from the data to the clients.

Error from disconnected tools

It can be virtually impossible to trace an error back to the source.

As discussed, this siloed process of data capture, processing, analysis, and reporting, frequently requires the double handling and versioning of data files across various teams and software. Data is often transferred through manual cutting and pasting to different software that bear no connection – meaning that there is no traceability to its source.

When skilled researchers are forced to spend hours on grunt work like cleaning and formatting, by repetitively pressing Ctrl + C and Ctrl + V thousands of times to pull together different data sources, it's unsurprising that eventually an error occurs, and data is copied into the wrong cell, or the wrong option is chosen. When an error does become noticeable it's often several steps after the initial error has already occurred. With the disparate files and tools compounded by looking at millions of data cells, it becomes virtually impossible to trace an error back to the source.

Take for example, the recent error with polling in Virginia where over 500,000 voters were mailed the wrong information due to an incorrectly aligned spreadsheet. This error was only discovered when confused citizens raised their concerns. Small simple errors like these can become exceedingly costly very quickly.

https://patch.com/virginia/vienna/inaccurate-mailing-sent-fairfax-county-voters

Error from repetitive workflows

Not only is this process costly, but it's also an unnecessary burden on resources.

Market researchers often need to update tracking reports with new data and roll out studies across different products or countries. This is another area where the siloed, manual process is fundamentally unsuitable and at risk of collapsing, exposing companies to more of the potential for human error.

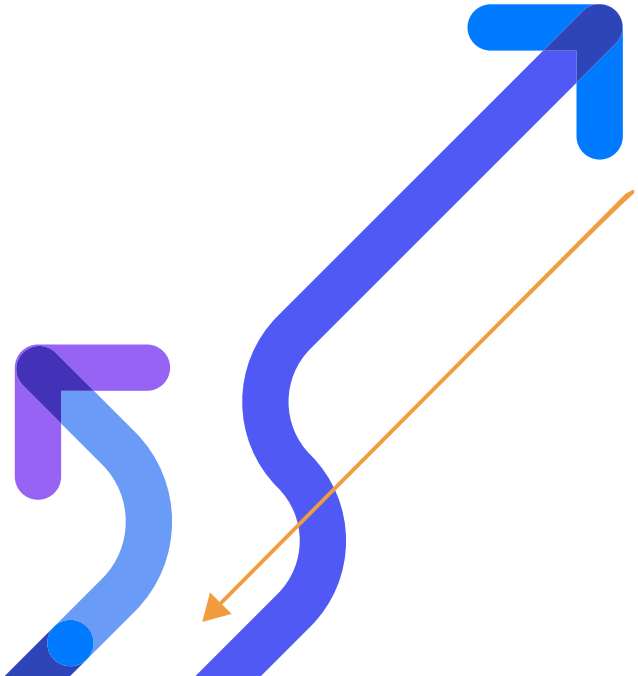
This process means that in the event a mistake is spotted, or a new result is needed, the entire team must get back together to recompute and update the analysis from scratch. In the case of ongoing projects like large tracking studies, most researchers must spend a few days out of each month, re-running the same analysis with the refreshed monthly data. So not only is this process costly in terms of risking human error, but it's also an unnecessary burden on resources.

The issue of quality control and reproducibility

Siloed processes make it very difficult, if not impossible, to reproduce results.

Reproducibility (or replicability and repeatability) is an important principle underpinning the scientific method. However, the siloed approach to analysis and reporting that most research companies are reliant on, makes it very difficult, if not impossible, to reproduce results. This means that every time a client casually queries a result, notices a discrepancy, or runs an audit, your researchers are exposed. Should your clients doubt the veracity of your results if they are not reproducible?

While some companies work around this and achieve reproducibility by writing code (e.g., in the R language or SPSS syntax), this is rarely practical in commercial settings due to the short time frames, a lack of programming skills and experience, and the prerequisite of domain-specific knowledge.



Staff turn-over

Market research analysts were well below average when it came to job happiness.

Siloed and repetitive workflows not only cost businesses time and money, but they are also a significant cause of employee dissatisfaction. A recent study into the impact of COVID on employees uncovered that 48% of employees considered their business practices to be poor and inefficient while one in four wanted to quit their jobs due to this.

As previously discussed, many market researchers' skills are underutilized, as their time is dominated by relentless cutting and pasting, waiting on other teams to complete their part of the process, and the headache of trying the trace errors back to their source to fix them. Not only is this a poor use of their time and skills (as well as company resources), but it also leads to job dissatisfaction. A study found that market research analysts were well below average when it came to job happiness, with market research falling in the bottom 29% of careers. Since many expensive and talented researchers are stuck doing 'grunt work' or hamstrung by inefficient business practices, it leaves the market research industry especially vulnerable to high levels of employee dissatisfaction.

https://www.abbyy.com/company/news/the-true-impact-of-covid-on-employees-one-in-four-want-to-quit-their-jobs-because-of-poor-business-processes/

So, what happens now?

Many business leaders are realizing that repetitive tasks are better fulfilled by modern software and that they can replace the old manual, siloed analysis, and reporting process with an integrated, fully connected system. While this means that the initial investment in software will increase, this will be offset by the decreasing cost of human hours per project. Inevitably, the cost of human hours and errors will shrink alongside the manual grunt work and siloed processes.

For a complete statistical analysis software package, consider Displayr. Displayr is designed to be a single tool to carry out all the analysis and reporting stages in the data value creation chain: normalize > tabulate > advanced analysis > bespoke analysis > through to create a final presentation or report.

The way forward

"One of the biggest dangers, when you're doing an analysis, is adding an error when you manipulate the data."

Ron Gailey, President – Americas, Mobile Digital Insights

"There are many opportunities for mistakes when you have to work with data manually, copying data tables from Excel into PowerPoint to build visuals. We needed something new."

Dustin Harper, Director Data + Analytics, H+K

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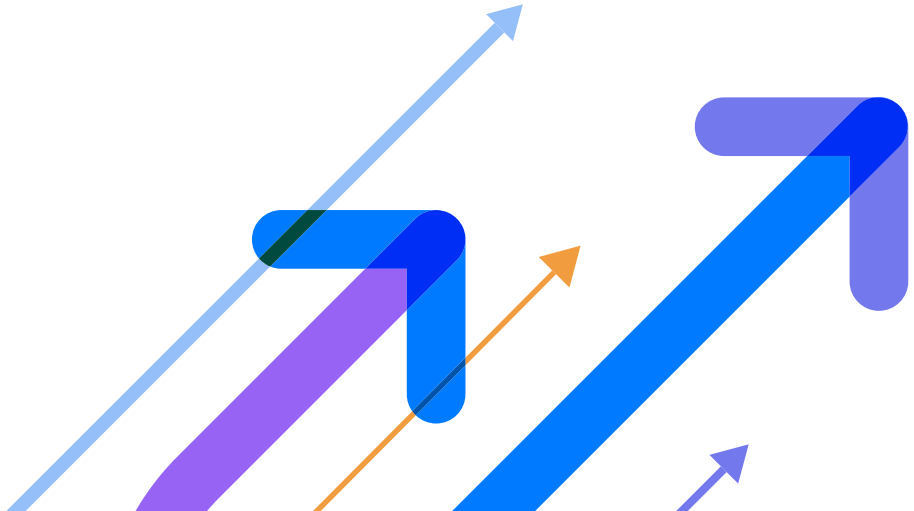
How Displayr will help you

Get in contact with team@displayr.com if you would like some help reducing costs and increasing profits:

- Replace siloed systems
- Automated audit trails from results to source data
- Reproducible reporting
- Automated updating of analysis, reports, and dashboards
- No code
- Dynamic cloud reporting
- Automated data cleaning and formatting

Curious to know more?

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