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## Market Research Audit: A Case Study



When Scott Webb made the shift to the Market Research Department at FortisBC<sup>1</sup> he had a fairly strong understanding of its value. As a member of the external communications team he had relied on its assets to frame and guide key messages. Upon his arrival in the department in 2008 he initiated a Market Research Audit that would serve as an opportunity to realign the strategies and practices of a vital, yet relatively static, entity. “I wanted to know where we were currently, what kind of research we were doing,” says Webb, “and whether or not our activities were relevant to the company in the face of a changing marketplace.”

There were significant changes in the power demands for new construction, a result of new building codes and efficiency standards. According to Webb, “the housing stock, or land area for single-family dwellings, is shrinking and the trend towards high-density housing means fewer builders opting for natural gas. The mainstream introduction of geothermal and air source heat pump systems has also driven down demand for gas, not to mention the carbon tax.”

Webb saw the imperative to re-examine the kinds of information the Market Research Department was providing to business managers across the organization, and explore the possibility that their department could re-tool and readjust to the new demands. While the company would still be subject to measurement by the BC Utilities Commission with regards to Service Quality Indicators (SQIs), i.e., employee and public safety, customer satisfaction, cost management and environmental performance, they would need a much better understanding of consumer behaviour in this newly competitive climate.

The audit executed by the team at PJ Osler & Associates explored Communication of research results, Internal Awareness and Perceived Value of market research, Consumer Market Intelligence, Competitor Market Intelligence, Research Methods and Vendor Management. They conducted interviews and examined practices not only within FortisBC but also across a broader peer group of companies. The resulting report provided a “Gap Analysis” that highlighted the current state, internal needs, the ideal/peer scenario, and the gap separating the current state from the needs and desired outcome. Webb got what he described as a “manageable, go-forward report,” which provided “actionable recommendations,” and revealed some unforeseen findings.

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<sup>1</sup> PJ Osler & Associates was contracted by Terasen Gas, since then Terasen Gas has changed their name to FortisBC

In addition to pointing out a necessary change in focus for customer measurement – it was established that ‘loyalty’ had to be part of the equation in addition to ‘satisfaction’ – Webb discovered that his department was vastly underutilized. Surprisingly, the audit revealed a disconnect between the data collected and catalogued by his researchers and the actual use downstream. There was the perception that either the information provided to business managers was too unruly to translate into a work plan, or that it was too focused on past scenarios and didn’t provide recommendations for future action.

The audit supplied tangible solutions for bridging the gaps identified in his department, and led to immediate changes to the ways in which they synthesized and distributed their findings. “We implemented an online strategy for sharing market data,” said Webb, “including primary and secondary results that provide both a macro and micro version depending on the depth of knowledge required.” Two page summaries of vendor data are now produced, highlighting key insights and action items for fast and effective reference. “We ask our vendors for recommendations regarding their data now, as well, so we have another perspective to consider when assessing a future course of action.”

In addition to the changes made internally, the Market Research department enjoys greater efficiency in their relationship with vendors; in fact, one vendor lauded the audit exercise, expressing a desire to see more companies pursue the exercise in order to clarify their organization’s data needs.

An independent Market Research Audit is an effective means of gaining a neutral, objective perspective on performance metrics and practices within an organization, and can reveal some unexpected and extremely valuable findings. If your company is facing a change, whether internal or external, the audit process can provide an excellent opportunity to reshape or hone your market research practices and methods. The work plan attached gives you a framework for a basic internal, self-directed audit but if you’re seeking a more in-depth and candid assessment of your research department, send us an email at [info@pjosler.com](mailto:info@pjosler.com).

## Discussion Guide: Internal Interviews

**Purpose:** Needs Assessments

### **Part 1**

#### **Focus: Background and contextual information**

Basic understanding of department/area function within organization

- 1) Confirm functional area and role(s)
- 2) Ensure understanding of role as it relates to the Terasen customer; who the customers are (B2B, if so what segment, or B2C)
- 3) Understanding of immediate and longer-term goals and objectives (highlight focused areas for improvement). Identify key business issues in their area today and looking forward, i.e., any shifts in the type of business they do / the way they spend their budget, any new business opportunities being considered?

### **Part 2**

#### **Focus: Current state**

How using research, and their perceptions of the Terasen research programs (data and reporting). We will have reviewed, and have an understanding of, the reports used by each interviewee.

- 1) Confirm specific research usage (types of reports and requests)
- 2) How does the research assist them with their business/meet business needs (i.e., by reducing the risk associated with decision-making; better understanding of the customer, how to allocate resources, identifies new business opportunities/investments, etc.)
- 3) Obtain an understanding of how comfortable they are with the decisions being made? If not, what is the primary area of discomfort? What is the associated risk level? Are they able to take action based on the information they have? If not, why not? Is the frequency and timing of the information appropriate? Is the level of detail surveys/reports appropriate to their needs? Ideally, how would they like to receive survey results (format, medium)?

### **Part 3**

#### **Focus: Ideal state**

Determine the type of research required and when it is needed in order to provide actionable input toward business decisions.

Questions asked in this section are set based on the type of comments made in Part 1 and 2. We will identify if there are ideas they have regarding how things could be improved – type of information, availability (recency and frequency), level of detail, etc.