

# Price versus value

**F**irst, the good news: the 2010 ESOMAR Pricing Study shows that global research prices are stable (compared to 2007). At least, by modality. There are signs of some weakening in certain pockets but, overall, the picture looks relatively rosy (at least for those who make their living by providing research services to the client community).

## NOT SO FAST...

What should be taken into account, when considering prices in the study, is the continuing growth of online, especially in higher GDP countries. Since these countries are generally more costly for research, it is not surprising that we should see online gaining ground – online costs about 70% of Phone/CATI and 50% of Face-to-Face. In the US, according to *Inside Research*, almost 50% of custom quantitative research is now conducted online. So, as online gains ground in these markets (which account for the bulk of global spending) the actual unit cost of research globally is declining.

For the client community, this has been a very good thing. Budgets can be stretched to do more, even in times of stress such as those we have just endured. The scene is set

for increasing the productivity of the research budget dramatically.

But even that has not proved to be an unmitigated blessing. As US and Europe-based sample companies will attest, the explosion in volume online has been accompanied by a relentless compression of prices, to the point where online is rapidly becoming a commodity. At the same time, response rates have pummelled and those poor souls who do continue to respond are pummelled by more and more invitations to conduct surveys. Simultaneously, attention has come to be focused on the quality of data that panel-based online research is producing, with special opprobrium being reserved for 'bad' respondents who take surveys multiple times, straightline or satisfice.

In response to this situation, the ARF launched the Quality Enhancement Program. Ironically, this was launched at the same time as they also launched a major initiative built around listening. The irony here is that, for decades, we as an industry have not listened to the voices that are most critical to our survival and good health: our respondents. Whether in F2F, phone or (especially) online, we have ignored all the signs of poor engagement – falling cooperation and response rates and declining survey completion times.

Which brings me back to price. Yes, it's good that research productivity is up. But that has been at the expense of quality – quality that we could have ensured had we been listening; had we shortened questionnaire length; had we ceased to use mind-numbingly boring grids; had we focused only on the questions we needed to ask, not those that were nice to ask.

And that translates into a decline in value. Clients may be getting more for their bucks, but I seriously question whether they are getting more value for them. Our respondents are not getting value either and they are showing their displeasure by walking away from our game.

So, here's the deal: I am hoping to see an increase in research prices across the board in the next ESOMAR study because maybe, just maybe, that might indicate that we are taking the quality that arises from engagement that much more seriously – and that we are respecting not only the needs of our clients but also of our respondents. **RW**