

How Research Insights Drive Success for Technology Companies



Executive Summary

The relentless pace of change that affects all businesses today may be most pronounced in the technology industry. New products and applications are developed in weeks and months, not years and decades, and futuristic products, such as artificial intelligence and nanotechnology, are becoming part of our everyday lives. Keeping current with customer expectations, attitudes, and preferences is a matter of business survival.

This rapid progress means big money for the tech sector. [Forrester](#) predicts that U.S. spending on tech goods and services will grow \$58 billion over the next year, reaching \$1.2 trillion by the end of 2018. Not surprisingly, there are plenty of people and companies that want a piece of the growing pie, and the number of new entrants in the tech sector is increasing. Unfortunately, not all of these tech startups survive. [Statistic Brain](#) estimates that only 37% of companies in the information sector are still operating after four years.

To succeed in the ever-evolving technology industry, companies need to stay aware of changes in market needs, emerging trends, new competition, and new opportunities. Market research is one tool tech companies use to guide strategies in these areas, but is it worth the investment?

Lawless Research, a market research firm, partnered with Research Now, a digital data collection company to determine if survey research helps tech companies survive and thrive. The study asks:

What value do tech companies get from survey research?

How are tech companies conducting survey research?

What are some best practices?

To answer these questions, we surveyed 300 tech company executives, directors, and managers who conduct survey research. We learned that insights gained from market research provide a wide array of benefits – from higher customer satisfaction to greater innovation – that are critical to tech companies' success.

“Research gives us market awareness. Technology changes daily and we must stay ahead of the curve.”

VP of Sales and Marketing,
IT Company

Methodology

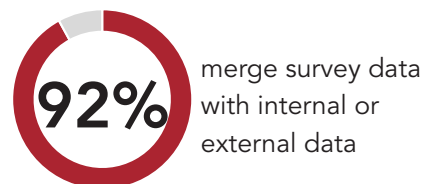
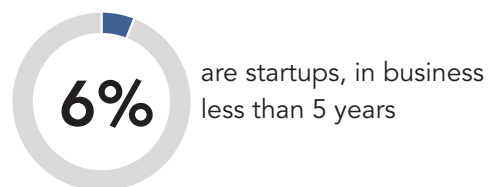
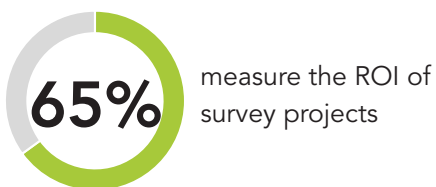
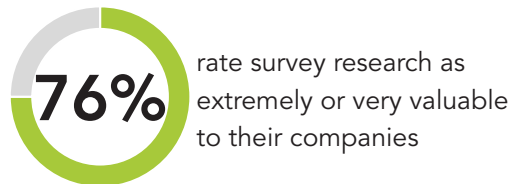
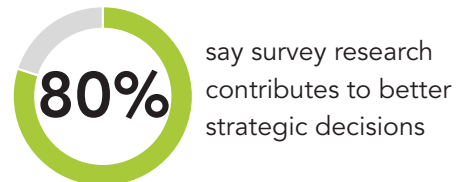
Between August 8 and August 31, 2017, Lawless Research and Research Now fielded a 10-minute online survey of 300 U.S. technology company professionals who had conducted or commissioned a market research survey in the past 12 months. The majority of respondents work for companies that sell software, information technology, telecommunications, digital technology, and cloud-based applications. They represent companies with at least 50 employees, with more than a third coming from enterprises with 10,000 or more employees. Lawless Research and Research Now partnered to design the study, with Research Now providing participants from its B2B panel and Lawless Research analyzing the data. Tests of significant differences were conducted at the .05 level (95% probability that the difference is real, not by chance).

“Survey research gave us a better organizational awareness of strengths and weaknesses, and a roadmap for improvement.”

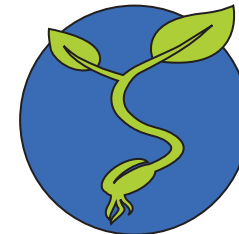
VP, IT Company

Survey Highlights

Among the tech companies that conducted survey research in the past year:



Insights Drive Success



Startups Underutilize Research



Research is Company-Wide



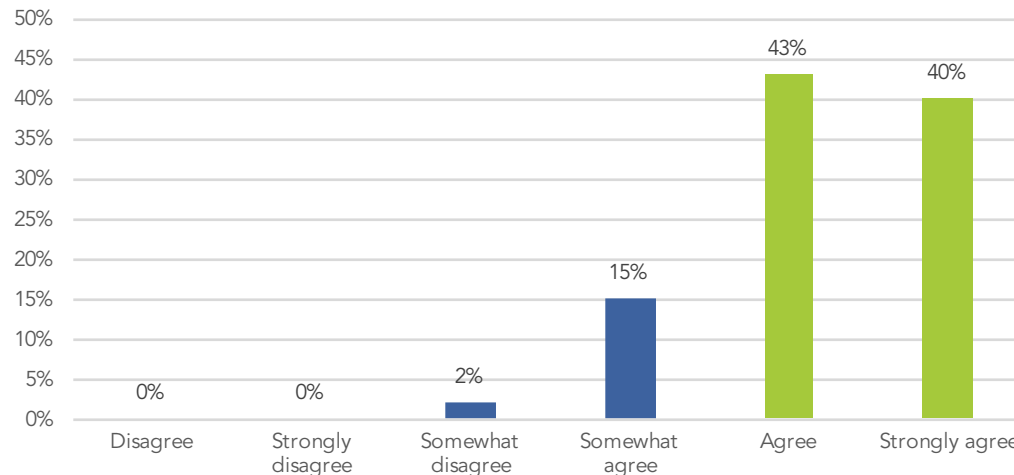
Survey Results are Merged with Big Data

Insights from market research drive the success of technology companies.

Gartner's [CMO Spend Survey](#) found that companies devote a significant share of their budgets to market research, yet there has never been a study quantifying the value of market research to technology companies. We decided to fix that by asking tech companies directly about the benefits of market research.

Technology executives link research insights to their company's business success. In fact, more than four out of five executives and managers at technology companies that have conducted research either agree or strongly agree that the insights gained from that research are crucial to their company's success – and an incredible 98% see a link between research insights and success.

Insights gained from market research are critical to the success of my company



“The surveys defined our improvement areas and informed actions for the coming year.”

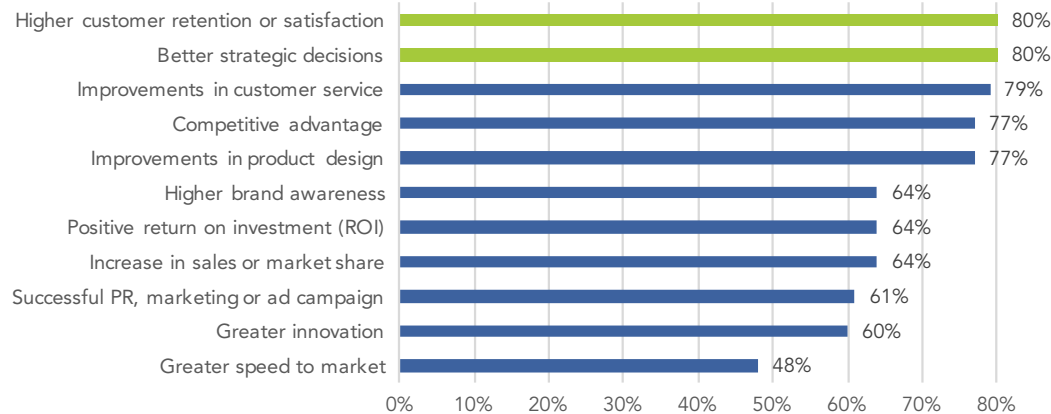
Global Marketing Program Manager,
Networking Company

From sales to service, research insights benefit tech companies.

The benefits that tech companies cite from market research clearly show why they value it so highly. Fully 4 out of 5 say survey research results in better strategic decisions and higher customer retention – both at the core of business success. Moreover, more than 3 out of 4 report that research insights provide a competitive advantage and result in improvements in product design and customer service.



Impacts of Surveys Conducted by Technology Companies in the Past Year



“Survey research helps us convert anecdotal insight to quantitative facts. It helps the company prove its POV and drive higher level conversations with customers and influencers.”

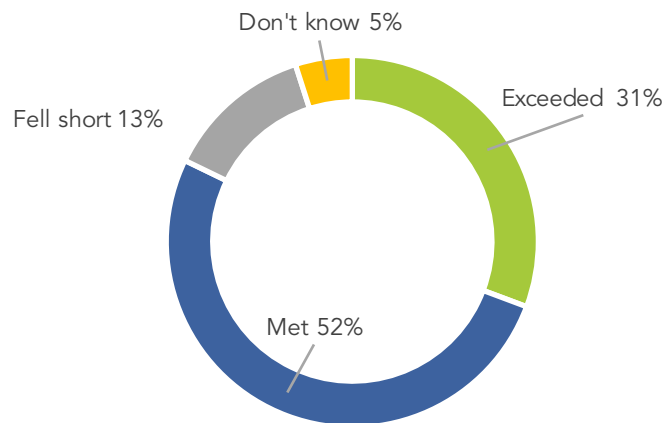
Senior Director of PR, Cloud Computing Company

Conducting research correlates with high financial performance.

Since research insights help companies improve business fundamentals, it should be no surprise that the use of research correlates to performance. More than 4 out of 5 of the technology companies surveyed – all of which had conducted research in the previous 12 months – met or exceeded their financial goals in 2016.



In 2016, did your company meet, exceed, or fall short of its financial goals?



Even more impressively, 3 out of 10 companies are high-performing, surpassing their financial goals. When compared to companies that didn't exceed their financial goals, twice as many high performers (38% vs. 17%) say survey research is extremely valuable.

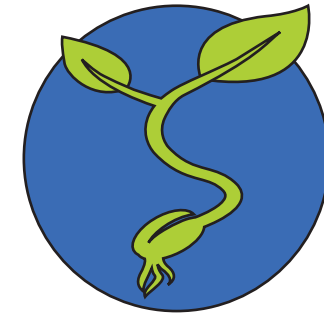
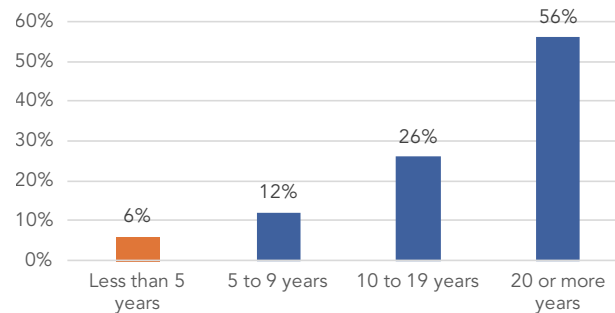
Critical areas where these high performers experience greater benefits from research include better strategic decisions (92%), greater competitive advantage (86%), improvements in product design (86%), and greater innovation (73%). Furthermore, high performing companies are more likely to quantify the value of research, with 76% measuring research return on investment (ROI), compared with 60% of companies that met or fell short of their goals.

Despite the critical need for market data, few tech startups conduct research.

For a tech startup on a shoestring budget, investing limited monetary resources in market research is an understandably tough sell. In fact, only 6% of tech companies conducting market research are less than five years old, and most firms conducting survey research have been in business for 20 years or more. The catch is that correctly applied market research insights are what help companies achieve 20-plus years of successful operation in the first place. In a series of post-mortems of shuttered startups, [CB Insights](#) found that “no market need” was the number one reason for failure. In a Techstars and Lawless Research study of 500 U.S. tech startups, 70% of founders said identifying the needs of their target market is a significant challenge. However, it’s a critical piece of information, and knowing it sooner rather than later can make the difference between long-term success and early failure.

Instead of assuming there is a place in the crowded tech market for a new product and jumping in with fingers crossed, young tech companies can use research findings to develop data-driven, go-to-market strategies and reach their financial goals. This is an idea startups are beginning to accept, with a growing number recognizing that investing in research is one key to their survival. Among these young companies, 38% are increasing their budgets for survey research and 50% plan to maintain their current budgets.

How long has your company been in business?



“Market research gave us a direct understanding of how certain features would be used by end users.”

User Experience Engineering Manager,
Software Company

Research is a company-wide endeavor in tech companies.

Tech companies conduct survey research throughout their organizations, not just in a market research department. Within each company surveyed, an average of four departments fielded studies. Almost half of the tech companies we spoke with said the IT group conducts survey research, followed by customer service and marketing. Executive leadership is also highly involved in research as the findings can help answer their key strategic questions.



Departments That Conduct Survey Research



“Survey research gave us alignment across the company on our current state.”

VP of Pricing, Software Company

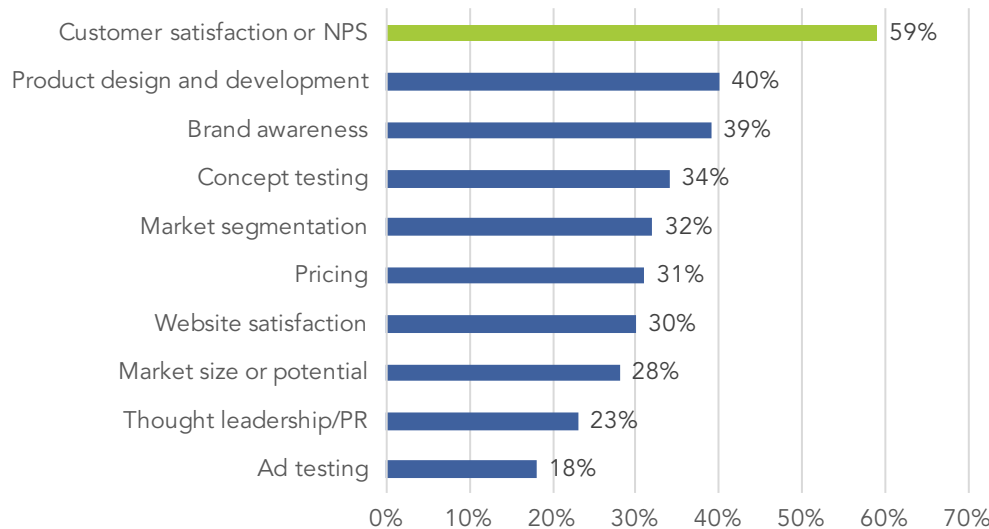
The majority measure customer satisfaction.

Though market research has universal benefits, the types of studies conducted are specific to companies' needs and cover a broad spectrum. Nearly 6 out of 10 respondents are surveying their customers to measure customer satisfaction or Net Promoter Score. According to an Operations Manager in Customer Support, acting on these survey findings "helped in lowering support costs by understanding customer needs."

Companies are also using surveys to measure brand awareness, guide product design and pricing, and design data-driven marketing programs. Overall, 71% of respondents fielded three or more surveys in the past year, not including projects led by their colleagues in other departments.



Types of Surveys Conducted in the Past 12 Months



"Survey research provides insight into positive customer experiences, as well as showing us where we can improve."

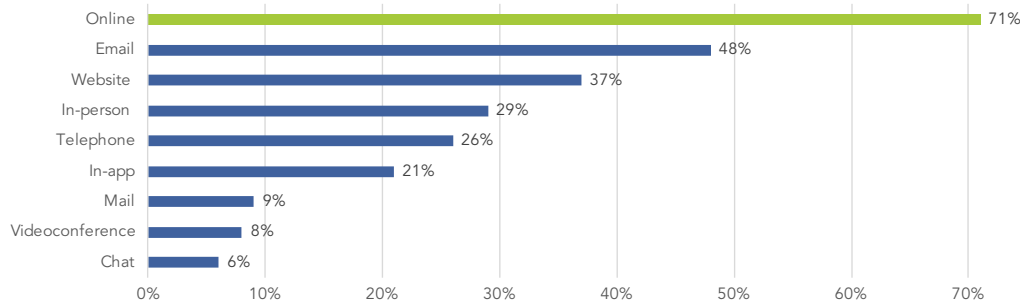
Product Developer,
Telecommunications Company

Most tech companies conduct online surveys and design research in-house.

Surveys can be fielded using a variety of methods. Not surprisingly, the most common way tech companies conduct surveys is online, followed by email. Some organizations are also using newer methods, such as in-app, videoconference and chat tools to survey existing and prospective customers. When asked how they design and manage survey projects, 63% of respondents said primarily in-house, 26% use an equal mix of in-house and outside resources, and 11% primarily outsource their survey research.



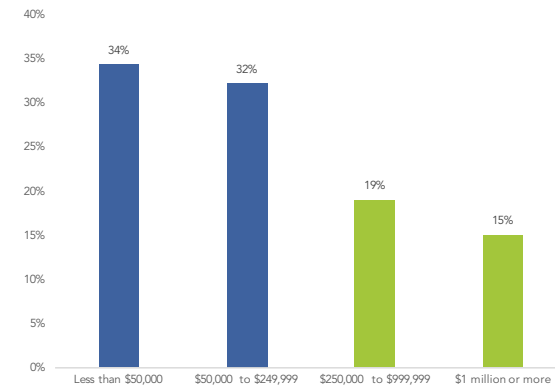
Of the surveys you were directly involved with, how were they conducted?



Tech companies devote human resources and budgets to market research.

Naturally, all this valuable research doesn't conduct itself. Among data-driven tech companies, 70% have assigned five or more full-time employees to research. One third said their company's 2016 market research budget was \$250,000 or more and 34% plan to increase their budgets for survey research in 2018.

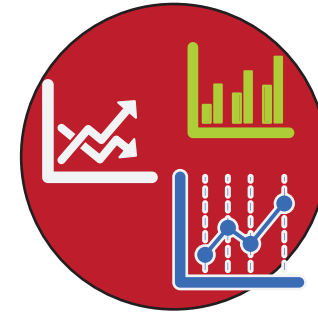
2016 Market Research Budget



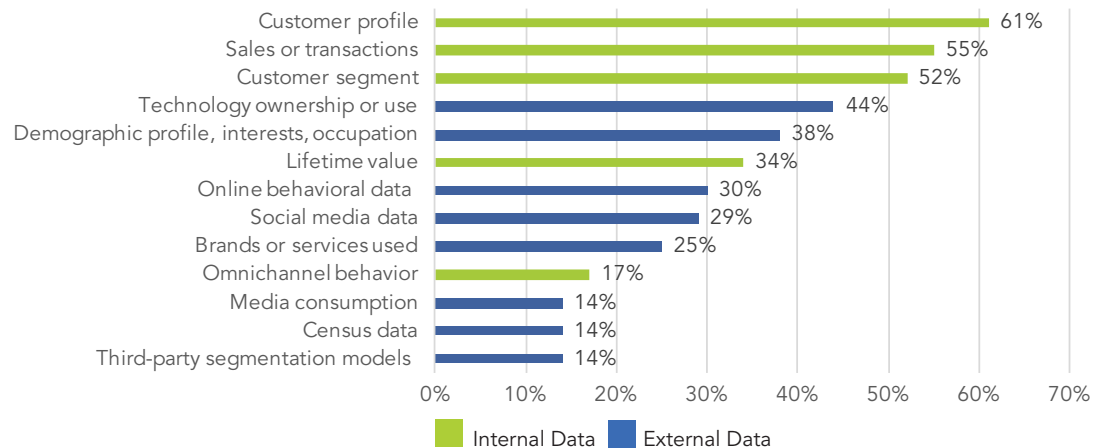
Tech companies integrate survey results with other data sources to add value.

Successful tech companies are not looking at research findings in isolation; they also multiply its value by merging it with other data sets. More than 90% of respondents report that their companies integrate survey results with internal or external data sets – and the majority merge their survey data with both. Customer profile, sales figures, and customer segment are the most useful types of internal information to merge with market research insights. Technology ownership and third-party demographic data are external data that provide the highest value when combined with research insights.

High performing companies are even more focused on the importance of data integration. Two-thirds of companies that exceeded their financial goals say leveraging external data sets for research and marketing is very or extremely important, compared with only 48% of companies that did not exceed financial goals.



Internal and External Data That Provide Greatest Value When Merged with Survey Data



How Tech Companies Ensure High-Quality Research

Ensuring Research Quality

To achieve the greatest value, it's critical to follow research best practices. Poorly designed surveys waste valuable resources and give companies inaccurate data that can lead to poor strategic decisions. According to our participants, the most important factors for ensuring successful survey research projects are:

1. Well-designed questionnaires
2. Clearly defined research objectives
3. Thorough data analysis

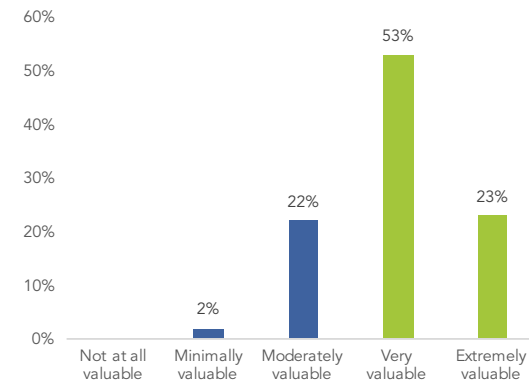
Value in Research Panels

Results are valid only if the right people are surveyed. However, only 4 out of 10 tech companies source research participants from panels, groups of people recruited by a company specifically for participating in research. Almost 9 in 10 of the companies that use panels say high-quality panel participants give them greater confidence in results. They identified the most important factors when considering a panel company as:

1. Participant authenticity
2. Quality assurance measures
3. Representativeness of participants

When asked to rate the value of research, 76% of tech company researchers report that the survey research they conducted was very or extremely valuable to their companies.

How valuable to your company were the survey research projects you were directly involved in?



Conclusion

To navigate within a rapidly changing landscape, technology companies are using survey research to guide their data-driven decisions. These insights help them design innovative products, increase brand awareness and sales, improve customer service, and gain a competitive advantage.

By conducting well-designed surveys with qualified research participants and measuring ROI, tech companies gain stability in a marketplace that is undergoing constant disruption. Our findings show that not only is market research worth the investment, it is integral to the success of tech companies.

Recommendations from Lawless Research and Research Now

Thriving in the fast-paced tech industry requires access to accurate and timely data. With 83% of tech companies saying market research insights are critical to their success, gathering actionable market data is imperative to increasing market share and remaining competitive. Research Now and Lawless Research recommend these guidelines for conducting survey research effectively:

Define the research objectives and target population.

Outline in detail what you want to learn from the study and prioritize your needs. Well-defined objectives are critical to achieving the desired research outcomes as they dictate the types of questions participants are asked. Next, describe the target participants accurately, specifying their qualification criteria. Surveying the wrong people can cause just as many problems as asking the wrong questions. To develop screening questions:

- Begin broadly with easy to answer demographic or firmographic questions.
- Mask the participation requirements. For example, in a study of IT executives, ask if they have responsibility for Finance, HR, IT, Marketing, or Other.
- Check knowledge by asking questions that determine their decision-making authority and experience with the research topic.

Develop a survey that is clear, concise, intuitive, and mobile-friendly.

Tech company market research decision-makers say the most important factor for ensuring a successful research project is a well-designed questionnaire. Good market research engages respondents and keeps them interested throughout. Keep the questionnaire short and to the point—if possible, it should take 10 minutes or less to complete. Use simple sentence structure, provide clear instructions, include all the necessary responses for a question, and use consistent or similar scales for each question. More than half of participants take surveys via mobile devices, so make sure the questions are mobile friendly. Avoid grid questions that require scrolling to the right or long questions that require scrolling down. To guarantee the quality of your survey, test it for understandability and usability with at least three target participants, then make any necessary modifications.

1. Define the research objectives and target population.

2. Develop a survey that is clear, concise, intuitive, and mobile-friendly.

3. Survey a representative sample of valid participants.

4. Integrate the survey findings with other data sources and share them across the company.

Survey a representative sample of valid participants.

Well-designed studies delivered to low quality respondents have little value. When participants are from a panel versus other sources, such as website intercept or social media sites, they are typically seen as higher quality because they are verified individuals. When choosing panels, evaluate how the sample provider recruits and incentivizes the respondents, the size and makeup of the panel, and the quality assurance measures used. For B2B technology studies, verify that the panel has expertise in reaching a robust sample of technology users and decision-makers.

Integrate the survey findings with other data sources and share them across the company.

Most tech companies merge their survey findings with internal and external data to gain a richer understanding of their market and maximize the value of their research. New offerings from research companies make it easier than ever to integrate both your own first-party customer data as well as third-party data into your survey data – expanding its value and broadening the perspective it captures on customer opinions and preferences, enabling you to draw more focused insights with greater confidence. It's important to disseminate the survey results across departments, so that the entire organization can learn from the research and make data-driven decisions.

About Lawless Research

[Lawless Research](http://www.lawlessresearch.com), a leader in market research for the technology industry, provides companies with the business intelligence they need to make informed strategic decisions. Clients use our insights to increase sales and brand awareness, improve customer retention, design and price successful products, and develop effective marketing plans. Our thought leadership studies establish companies as industry experts by identifying emerging trends for use in PR and content marketing. www.lawlessresearch.com

About Research Now

[Research Now Group, Inc.](http://www.researchnow.com), is the global leader in digital research data for better insights and business decisions. Founded in 1999, the company was a pioneer in originating online data sampling and created the first B2B panel. The company provides world-class research data solutions that enable better decisions and better results for its 3,000 market research, consulting, media, and corporate clients through access to over 11 million deeply-profiled business professionals and consumers in more than 40 countries. Research Now operates globally with locations in the Americas, Europe, the Middle East, and Asia-Pacific, and is recognized as the quality, scale, and customer satisfaction leader in the market research industry. For more information, please go to www.researchnow.com.

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