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## Insights Leaders COVID-19 Roundtable June 23, 2020

### Panelists

**Bruce Haymes**, Chief Partnership Officer, Northeastern University

**Daniel Hunt**, Director, Insights & Analytics, Ferrara Candy Company

**Fiona Blades**, President & CEO, Mesh Experience

**Jeff Reynolds**, President & COO, LRW Group

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Thank you to CiviCom for providing the following roundtable transcript.



Lenny Murphy: So this is an evolving forum for conversation. What we've seen over the past few weeks is certainly what I kind of think, the first few weeks was the "Oh crap" phrase, right, as everybody was trying to get a handle on what was going on. Definitely a steady progression since then with people getting the handle on things, seeing the business begin to recover, probably slower than anybody would like on any side of the table but certainly a progression. Then there's been additional new complications come up. Fiona, you mentioned the diversity and all of the protests and kind of that whole - that showcased a lot of issues that as an industry we're involved with and dealing with, the uncertainty now of coming out of lockdown but seeing some cases spike and kind of the fear. So it's been a steady progression but with a few dips as we've gone and trying to get a handle on where things go. That's where we're going to pick up from now is your perspective on where we are at this minute.

So we'll give Dan and Jeff a break, Dan since you're just coming back, we'll wait a few minutes. Jeff, we'll give the coffee a little more time to kick in. So Fiona, we're going to pick on you then. **Where's the business today? What is your sense of where MESH is right now?**

Fiona Blades: I think it is in a let's go for the long run position. In March, we were thinking, right, all these clients have gone on hold, we have lots of clients, we have airline contract clients as well, so went on hold. I think we thought, well, maybe by May or June, things will pick up. I'm not seeing that. What I'm seeing is that where we have one business, we have one more piece of business, they have been a little bit here and there. We're not seeing those big contracts. We're seeing small hand-to-mouth things and we're seeing clients even that have got budgets that haven't been necessarily cut as being much more careful about what they're releasing them for because what initially they got in their plan is no longer relevant. They now got new issues facing them and so they're having to rejig everything. So I think that's how we're seeing it, let's look at this as the long run now.

Lenny Murphy: I think that jibes with what we've been hearing as well, more focused on tactical research, faster, more urgent, just get a handle of things type of things. So I'm going to take back what I said about putting you on the spot, Dan. So what's your take? How are you guys prioritizing projects right now and where are you from a budget perspective?



Daniel Hunt: Yes, sure. I mean I think there is a couple of big things that are happening. Number one is the markets changed pretty dramatically. We saw that not just with the virus and the closures but also the way that people adopted, the way that we changed shopping behaviors. So there was this immediate need to understand that really well. So that's where we see a lot of that smaller tactical things coming in is that you have this big change that you need to respond to quickly, you need to understand that, a lot of those. At the same time, you've now had significant changes to some people on the top line business to some people on the bottom line, right? Even if your sales aren't impacted, the way that you run your business and the way that you run your production, that's changed, right? So budgets obviously have that downward pressure to go along with it. So you look at both of those things and what Fiona said I think makes perfect sense that the dynamic that you see is a lot of small tactical things that we need to understand the crisis right now. Then some of the bigger projects really getting more focused to say we need to do it now, do we need to do it later.

I think another thing that kind of impacts that as well is for some of the large foundational research projects we've done, you have to ask that serious question, how relevant is this research, right? We're doing a project actually with Jeff's team right now focusing on how do consumers use, shop online for our categories. Well, that's changed a lot. Some of that is going to stick in six to 12 months. Some of it might revert back, do you want to do those big research projects right now or do you want them. So all of the things I think Fiona has seen makes sense to me and certainly jibes with what we've seen internally. I don't know how long it will take to get back to normal for us. We're seeing a slow return right now but it'll be some time.

Lenny Murphy: Well, we've heard it from the horse's mouth so to speak. For what it's worth, I think every other client that we've spoken to is kind of in the same space. So that's where we are now. Since you mentioned Jeff and I picked on you early when I said I wouldn't, Jeff, how about things from the LRW perspective?

Jeff Reynolds: Yes. I'm probably going to offer a little bit of a different point of view because I think markets as always are segmented. So the difference between what's happening in clients at opposite ends of the spectrum, hospitality and travel clients versus tech clients, just couldn't be more different. So one of the fortunate



things for our business model, perhaps with our California heritage, is that our single biggest industry is serving technology companies. Honestly, those companies not only are probably experiencing this, at least from our experience, experiencing this as less of a business disruption, honestly, some of them, what's going on now, this whole world of being more digital, it's actually an acceleration of their business. So for those folks within variability, it's almost business is normal or more. So that's obviously from our standpoint and helping serve them is great.

For us, we quickly developed our own thinking around how this thing was going to be and how it was going to shape and we knew that it was going to be an early big punch in the gut and then we expected a certain shape to the return which some ways is still TBD. The good news for us is it's probably been a little better than we thought, how bad it could get over the first 90 days. Then now the question is maybe back to Fiona's point like what's the slope of it from here. That's still a big unknown. Those might be my just overall general business climate kind of concepts. As we try to figure out how bad could it get, we all have a fairly recent relevant experience which was the terrible recession of 2008, 2009, and so we sort of use that as a gauge to kind of meter – did we think it was going to be about the same, did we think it was going to be a little bit worse, and we kind of made our decisions as to how we thought the next six to 12 months would be based on that. That's proven a pretty good benchmark.

Lenny Murphy: There's a few things I want to circle back around to on that but we can peruse the chance. So Bruce, with your role, I suspect that you're seeing the same thing that Jeff mentioned and we've seen it as well. Actually, some companies are thriving right now that are more digitally centric. **So are you seeing that within the portfolio of companies that you're engaged with?**

Bruce Haymes: I think I would say three observations. One is I think that what's happening right now is actually to Fiona's point, long term really good for the market research industry. The reason is that the large companies and the historical methodologies the companies were using for market research had become fairly rote. There were a lot of startups that were pitching big businesses and big businesses with do a pilot here or a pilot there but fundamentally, the nature of research hadn't really changed. To be honest, consumer behavior was much more predictable in



November than it was in May. So as a result, I think it's a net positive for the market research industry because those that survive through this period and thrive through this period are going to be true innovators because virtually every client has zero perspective on what to predict as far as consumer behavior. I mean in November, we were talking about small brands, the rise of small brands and how the CPG conglomerates weren't relevant anymore and then we saw during the lockdown that every big brand were the ones that thrived. As Fiona mentioned, travel and hospitality, obviously, very, very weak, not a place you want to be in for market research for now. But e-commerce and digital are super hot, almost no loss. For some of my clients and for some of our portfolio companies, they found that going to nontraditional researchers, research-related industries or consumer industries is yielding good business, in fact, very little downtick in revenue.

The second thing that I guess I would observe is that in the world of startups and innovations, there is three kinds of companies that are out there. There are the unicorns which are the companies that are well-established, well-invested, plenty of cash, brand recognition, and they're doing fine. There are the very tiny companies, the ones that have just done a seed round or just coming out of the gates right now and they have relatively small teams, those are actually going to do fine also because they have low valuations, they have small, flexible teams, their ability to pivot is relatively easy. But I think there's this middle-sized research startup that is really in a bad place right now which are the ones in the middle, the ones that are not yet the leaders in their space or the innovators in their space, they're not yet unicorns, they have investors, institutional investors that are expecting results and they have budgets against those results, and their ability to pivot is much more difficult. So I think very big companies and very small companies have an opportunity to benefit through this also.

By the way, one other thing I would just mention is that with respect to M&A, this is the greatest time ever if you happen to be an acquirer in the market research space because I think that almost all of the big players like my former employer, Nielsen, Kantar, Ipsos, GFK, most of the large research agencies are out of that business right now. So if you are an emerging market research player that's looking to consolidate leadership and to get to that unicorn status, I think now is the best time ever to be looking at M&A and consolidation.



Lenny Murphy: Jeff, duly noted, right? Sorry. Yes, LRW has been one of those companies, acquirers. I've seen that as well especially on the PE front. There's actually a fair amount of private equity happening right now for consolidation. So that's interesting. You mentioned consumer behavior. So Gregg, you just led and effort with a variety of partners to try and get a sense of what that consumer behavior profile looks like going forward. **So let's transition the conversation into what comes next sort and let's start there with what you're seeing with the resources you did around consumer behavior and what that may mean for the industry as a whole.**

Gregg Archibald: Yes. So there are a lot of different companies involved in this and we looked at a lot of different datasets to try and get a bit of a handle on what consumer behavior will look like without going through the report. The fundamental issue is some of our values have shifted and we saw this, Jeff, I'm glad you brought up the Great Recession, because we saw some of this happen at that time as well where people were really moving down the ladder to make sure that the fundamentals are taken care of in terms of making sure I've got plenty of water and plenty of toilet water and feed my family, and clean and all of those things but also adapting the way that we do things is being able to live with those values that we hold dear as closely as possible. That includes the Zoom happy hours that we've all been a part of and adapting with our masks or that kind of behavior, the kind of activities that we're doing to keep entertained which is you can't because it's kind of a cool activity and it's also almost by definition socially distant.

So we've seen a lot of things that are going to change and one of the things you mentioned some of the foundational work. We have a step back into that. I call it the turtle starting to put their head out of the shell, that now may be the time or maybe two or three months where we really dig in to how people are going to change for their particular business and their particular industry. I forget who said that the future is bright for this industry in a number of ways because right now, things are small, things are still kind of tactical as we move forward.

Lenny Murphy: Gregg, you're fading really badly. It sounds like you're moving around a lot.

Gregg Archibald: Hang on. Is that any better?

Lenny Murphy: That is much, much better. Yes, thank you.



Gregg Archibald: Okay. I'll keep my phone near my mouth.

Lenny Murphy: That's always helpful.

Gregg Archibald: I was waving my arms around because I was getting so excited. The insights industry is going to be where business leaders are looking for guidance to adapt to whatever this thing looks like as it stabilizes six months or 12 months or whatever that number is. There'll be some stabilization at some point. We are the industry that businesses are going to look to. So I'm actually quite excited about what the next six to 12 months will hold for our industry.

Lenny Murphy: So let's take that out now a little bit more into the implications for our businesses. We're all consumers. Our behaviors have changed obviously. We're tasked with understanding changing behavior and it also means as business leaders that our businesses are going to shift. So there's a few things that make sense, work from home. I suspect work from home is a permanent mix now for almost everybody. If you can work from home, why the hell not work from home? But what else? **What other changes do we expect to see in businesses?** Now, Daniel, before we started, we were talking about you guys had just opened this beautiful new office in Chicago and then, "Oh, we can't stay!" **Any plans for a company the size of Ferrara to where things go from here in terms of the work structure, the environment that we're in?**

Daniel Hunt: Yes, I mean at a high level, I think one of the things that was beneficial for us is we do a lot of work across different countries. So the technology to work remotely already existed. Obviously, in insights, you do a lot of work with research partners who are sitting somewhere else. So that transition to working remotely, I think the nuts and bolts of it was actually relatively straightforward. What's interesting is what becomes really difficult and where things like offices I think still have a role to play is you look at members of the team who are used to seeing their managers, the marketing leadership, company leadership on a regular basis. Now, you're not seeing those people every day anymore. It can be really easy to feel disconnected and to feel like your work maybe isn't being because you're remote. So I think a lot of the adaptations that we've had to really think about on the fly are ones that are more around how do you stay connected with people during this



time because the way that we operate and did work didn't really change all that much.

I do think in the forward-looking state, it's going to be a mix. We have plans to slowly open up facilities in line with state national guidelines over the next several months. It's not going to happen overnight. It's going to be a longer, slower progression. I do think to Gregg's point, it's going to be something where working from home is going to be around forever before, it will remain so. There's going to be that mix but I don't think the offices are going away. A lot of people are very excited to get back pretty soon.

Lenny Murphy: I've heard that especially from the millennials within Greenbook. We have a large group of millennials working in Seattle for instance. They can't wait to get back to seeing each other, which I hate people. No, I'm joking [Laughter] but I haven't missed anything of not seeing people because I've known them for 20 years. But it's interesting that socialization were antisocial shut-ins like me.

Daniel Hunt: I mean I think there's that socialization within and among your peers but then there's also just being able to see your managers, being able to see leadership, and being able to feel connected to the company as a whole. So I think both of those things are pretty prevalent, certainly among the members of our team and members of our marketing organization. I think a lot of people are going to be looking forward to it. It's not going to be 100% everybody in office from day one. It's going to be a slower kind of methodical buildup.

Lenny Murphy: Go ahead, Jeff, and then Fiona.

Jeff Reynolds: Yes. So I think we're all dealing with all the same kind of work-from-home questions and trying to do that thoughtfully. I think what's interesting is how we're actually needing to adapt and change in actually what we do, not where we do it from. I'd say there's a couple of things that were - I would say like many things, they were trends and that now we've really both felt the need and tried to step on the gas. So one of those things is speed. So no big secret if you've read the GRIT report for 10 years, clients would like work faster. So I think because of in fact how fast things are changing, clients being in situations where it's like they really need a fresh look at the situation because things have changed more now





than maybe they ever have in a consumer behavior in a market in our lifetime, and we've always had the ability to go fast. We've had a 25-year history with McKinsey and they don't do anything that takes longer than four weeks. So we've had ways to take 12 weeks down to four weeks for a long time but it requires frankly sacrifices both on our side as well as the client side. One of the biggest bottlenecks to moving faster is you can't do research in four weeks if the client wants to spin around Step 2 for two weeks internally. So we're really feeling clients wanting to come together on that to move faster. So we've put a bunch of things in places. So I think that's a really interesting trend that might not be as obvious.

Then the second one I think is more obvious but man, we can really feel it. We put a big focus on moving qualitative online a couple years ago. So back to what somebody said earlier, if you think about it, when you describe doing some focus groups in Cleveland right now like, "We want to talk to 16 consumers. So we're going to fly nine people, sit in a room and have a conversation with 16 selected people in Cleveland," if you really describe that process in a modern - describe it to a millennial, they'd be like, "Why don't you just Zoom?" [Laughter] But yet those consumer behaviors die hard. People like focus groups. They've done them for years. So I think this is going to strip away - there's still some qualitative you have got to do in person. You want to a bunch of types of ethnography or deeply emotional things, you may still need to do it but that big chunk that was probably just old habit I think is going to get stripped away and it's being replaced with all these innovative ways to actually do online with qualitative and people creating their own ethnographic journals because consumers are becoming so good with their own handheld videos. Those are real and they're really in situ rather than sort of orchestrated by researchers.

Then of course, one of the great ones is the ability to use kind of online anthropology of what's being said in the social sphere, that world is becoming more and more the true representation of reality every week as life becomes more online, so marshaling that data. So those I think are just trends that are now accelerating and we are doing our best to lean into them.

Bruce Haymes: I was with you until you talked about social media representing truth but...



Lenny Murphy: If I may, we made some distinctions between what we think – the signal and noise, and there's a bunch of social media, perhaps even still the bulk of social media to your tongue-in-cheek but kind of true point, that is actually not reality. What we have found is we filter our social analytics to think of message boards, the places where people really go to talk in dialogue, not to do 128 characters. So whether it be a parenting site for autism or a runner's engagement site where people really build little online communities to truly exchange information, we think there's magic in those conversations. We actually don't like Twitter.

Bruce Haymes: So on that, that's where I thought you were going and I totally agree with you on that. To the point that you're making about focus groups, I would just add to that that's what I mean my opportunity during this time is the next generation of what a focus group is is more likely to be a Zoom call that, number one, has some built-in market research applications built into it, right, where it's analyzing facial expressions, it's analyzing gestures, it's analyzing what's happening in the chat bar on the side, and also it's collecting passive social media data from the participants in the focus group so that you are not just relying on the opinions that consumers are overtly giving you, which of course are very important for your analysis and your report but you're also validating that against what is this person's persona like in real life. I think that one of the coolest things that can happen with market research right now is really reinventing where the insights come from because there's so much more data available now and post-COVID, so much of that data is going to be accessible digitally and it's going to be capable of being put in a data link and applied by machine learning and AI and all those other things so that we ultimately have insights that are better than what we had before or cheaper than what we had before and are more scalable than what we had before.

Lenny Murphy: So Fiona, I want to get to you because we're singing your song, I know, but I want to tackle one thing with Daniel because I suspect you're sitting there thinking "Yes, yes, yes" but sensory, right? That's one of the areas in qualitative that you have a hard time adapting.

Daniel Hunt: Sort of yes and no. We're a company that – I think a lot of what Jeff said and what Bruce said, it's sort of a hidden benefit for us because I think we've shifted a lot of our research already previously to online places whether it be qual or quant. So for us, one of the benefits here is before, you might have a handful of companies



that have developed those capabilities and you have limitations around what's doable. Okay, great, you can get 300 videos in two days' time and how do you analyze that. Do you have a natural language processing engine behind it that can help me draw out trends because I'm not going to watch 300 videos. So now all of a sudden, everybody has to do it. They're forced to move online because their facilities are closed down. For us, it's just now a kind of acceleration of new techniques and methods and gives us just a larger menu of options to choose from which is fantastic. I think from the sensory front, some of our partners have come up with really I think clever and creative ways of doing the remote research. When I say remote here, I mean at facilities in a way that works under COVID. So I think that part of it is how do we change the way our facility works in order to allow people to still encase the products in a central location.

I think another part of it is just we've shifted a lot more into in-home. So then it's just on us to - we still have facilities that can produce product, we can still package that product, we can still send it off safely, how do you just design the data collection methods to get that feedback. A lot of times, it's going to get you better results than a central location anyway because people are eating more in a natural environment. Central locations are great when I need to get very precise about diagnostics but I think more and more, we'll see that kind of shift to a lot of trained tasting panels to give me the diagnostic details but when I want consumers to tell me what they like and what they don't like, I'd like them to eat it the way that they would and where they would in real life instead. So yes, I think that's one of those things that's been a kind of hidden benefit for us is not so much how do you innovate all these new techniques but now it's everybody's adopting them where before, only a few people were and it's forcing that acceleration which gives us a lot more choices which is fantastic from the client side.

Lenny Murphy: I couldn't give away online focus groups in 2008 literally, could not give them away to clients. So this is trending away now for a long time to see it come on.

Daniel Hunt: Yes. I'm trying to think of the last time that we did an actual in-person focus group. Almost everything that we do is online communities, online IDIs, online Zoom meetings. Part of that is because our consumers tend to be younger consumers. So for them, that's more how they're used to interacting. Coming to a location at 8:00



PM and talking to a bunch of people in the boardroom is not a very natural interaction for a lot of our consumers.

Lenny Murphy: Yes. Fiona, you've been sitting there very patiently and I kept thinking, "Man, we are talking about your business."

Fiona Blades: Don't worry about that, Lenny. I'm being fascinated by this conversation and of course, what I was going to say five minutes ago I'm not going to say now, I'm going to say something else. So I'd love to respond to what Daniel's just said. This relates to the techniques. I think also what you said, Lenny, we found, what we did, we had our data that we were collecting for retail banks in the UK. So one of our core methodologies, although we're a full-service agency, is real-time experience tracking where we're capturing people's experiences with everything from the TV ads to eating the chocolate to going online, we're picking up all those different experiences. Previously, we thought, well, okay, we'll do monthly reports and we'll share information like that. During COVID-19, we just immediately said, "Right, okay, people are going to want data. So with the data that we own, we own retail banking data, we will issue that every single week with new information to help banks." The other thing around that was that we were trying to work out what we could do to help and we thought, well, the decisions that banks take are going to make a big difference to society. So if we can feed them the right information, that might help.

What was fascinating is once we started putting that news out every Friday with a newsletter and slides and every Monday with a Monday briefing audio, we found other clients coming to us and saying, "Actually, the brand tracker which we got monthly isn't enough. We need this weekly stuff like you're doing. We need this information because we've got to feed it into the crisis meetings." That's changed relationship with clients. I think it goes back to what Jeff was saying on speed. We've always been able to capture stuff in real time and deliver really fast but sometimes the clients haven't been able to take advantage of that because they got other priorities that are important. But all of a sudden, they are data-hungry for knowing exactly how people are feeling. The ads that are working one week are absolutely bombing the next. You need to know that. So that's been a fascinating change and I hope some of that will continue because I think it's been



giving us more of an opportunity to lead strategic thinking in rather than literally just delivering data.

Lenny Murphy: That's a good segue, Fiona, into kind of the next topic, being conscious of time, and we've been talking a bit about changes in our businesses kind of in the midterm but now let's think about the future a little bit more. Let's think about a year out, two years out. What does an insights organization, either supplier or buyer side, look like in that period and what changes can we anticipate to start preparing for now to be ready for that future as we're going to evolve? So Bruce, I'd actually like to pick on you to start that since you're focused on innovation and new companies. **So as you're thinking about these companies that are part of the portfolio, are you thinking about that, that two-year vision on preparing for that world versus the world right now?**

Bruce Haymes: Yes. I mean I think that there's a couple of things. One is from an insights organization perspective. I think that the companies have to be looking at what verticals are going to thriving, I mean just to be perfectly blunt about it like someone said earlier on the call. I mean travel and hospitality is going to take a long time before they have a budget that's going to matter to companies in the market research industry. There'll be spots here and there but travel and hospitality is going to be really tough. There are other industries that are going to be really challenging also. So one is picking, the market researchers themselves I think have to be a little bit more deliberate about what client industries they're going to go after based on what they projects are going to be important going forward. Then I think that the other thing that market research companies need to focus on as far as innovation is to Fiona's point, quick turnaround, passive collection of data, and digital collection of data. If you're not doing that as a researcher, if you're still doing everything old-school like we were discussing before, I think that's going to be really problematic.

Lenny Murphy: Commercial real estate, add that to the list. That's going to be problematic in this as well.

Bruce Haymes: Yes, and I think retail. I think retail is going to be very different. Now, the thing that's interesting about it is that retail and travel and hospitality are not going to permanently go away. We love going on holiday. We love traveling. We like



shopping or we like experiences. But for the next 24 months, it's going to be different industries that I think that we have to focus on but more importantly, I think that market research agencies that adapt to work from home to digital video to passive collection of data, I think they are ultimately going to be the ones that thrive right now. In our portfolio, for what it's worth in our portfolio at Nielsen Innovate, I think we have 35 startups that are all market research-related startups. They're all pretty early stage. What we've done is we've done an analysis of which ones are likely to thrive in a post-COVID environment and which ones are going to have a lot of problems unless they pivot in a post-COVID market. I think every company needs to do that same analysis which is is my product market fit appropriate for the world that we're about to live in.

Lenny Murphy: Sage advice. Now, we want to add another dimension to this conversation and you mentioned it earlier, Fiona. We didn't touch on it very much. That is now there seems to be a broad awareness around issues around diversity and inequality. I'm seeing lots of conversations. You saw the one on walks over the weekend, right, which was really interesting. So as an outcome, COVID crisis created the perfect kind of tension point for a lot of issues services. So here we are. We have to deal with the changes from a societal, systemic standpoint in terms of disease control while also we cannot ignore these issues around diversity and equality that are surfacing as well. **So what are the implications from a business standpoint of that too?** So Fiona, you brought it up as kind of being a woman in business. So what's your thinking around that as well?

Fiona Blades: Thank you, Lenny. Well, it's clearly a very big topic. I mean the first thing is that as researchers, our responsibility is to allow other people's voices to speak. So that's something I think for all of us to be considering, how do we get those voices into the places that matter. I do think that specifically, things like diversity and inclusion will change. In terms of thinking about the biodiversity which is where I've been involved with MESH, that people now realize that they have buying power within our industry. One of the things that we are trying to look at how much money we spend with diversifiers. I'm really grateful to SMR and MRS for saying that you will now have a look at the directories so that we can search for them because it's difficult to know who is a diverse business and who isn't.



Lenny Murphy: It is. Somebody asked me over the weekend if we had a listing of African American-owned businesses on Greenbook and I – “No, we don’t. There’s a taxonomy for businesses that focus on African American.” I said, “These are probably my guesses, they’re probably African American-owned” but I never really thought about it, which is unfortunate. We have to look at it differently now. So Jeff, for the larger organization and you have kind of two perspectives on this because you were involved in doing a lot of work early on on understanding asymptomatic spread of COVID and implications that may have for the short and long-term and being in California, obviously culturally, a lot of implications around the diversity. **So what’s your take on these two things?** What does the word look like in a few years, what are the priorities for navigating the issues around disease spread as well as the issues around the social turmoil around diversity and social justice?

Jeff Reynolds: Yes. So I don’t think anyone’s got a COVID crystal ball but I think our orientation is that it’s going to be a long and winding road. So the work-from-home, health-conscious environment that is right now we think is going to be around for a pretty good amount of time and think of probably well into 2021. So we’re girding for that and expecting it out of our clients. I’ll come back to the diversity and racial justice point. We’re a client service organization. So the most important thing that’s going to determine our future is going to be the future of our clients. What I think is really important, and it reflects on my comment from earlier, but this trend is just an accelerator of a trend - could you think of a trend about not getting together with other people that could accelerate a digital trend faster? The world is moving to this new Industrial Revolution and the power of digital was already headed there, retail was getting upended, and then this came in. So I think there’s going to be two independent forces that are going to speed that up, one, which is kind of the obvious one that every business is having to become more digital, so to the degree that you’re a consultant in that world, you better be ready to go for that in both your methods and point of view on the digital world.

But secondly, the winners and losers are going to become more digital. So if 20% of the market becomes 5% of spend because as we talked travel and tourism getting anything to have a dollar to do insights and meanwhile, Zoom which on March 20 I saw my kids going zoomed in school and I went and bought the stock and it’s doubled in 90 days. So the digital businesses that were already thriving are



thriving even more. So the world that we're going to be in in two years is going to be way more futuristic towards this digital trend a lot faster and are you ready for that in terms of really understanding digital business models, digital consumer behavior, the integration of bricks and clicks, all of that thing. So that I think is really going to change us. Then the final piece, which really comes back to the diversity point, is this is all about new ways of being. So agile organizations that can think creatively about tomorrow's business issues are going to be at a premium. We just don't live in a world where you can come up with some methodology or approach, take a year and a half to figure it out, put it in a jar and put it on shelves and sell it for five years, it's a constant adaptation.

So we think about that a lot as we build our engine of allowing creativity at the tip of the spear with clients to really build for their problems but then you bring in diversity which says the most important ideas are the ones that break through creatively. When I say creatively, sometimes in marketing that means making a pretty ad and creativity is about creative problem-solving. Anyone can have the big idea. I think we all know that the more diverse viewpoints you bring to those ideas, the more likelihood that you can get that sort of tensions or creative collaboration that creates the big sparks. So we have got to be – if we're going to be a leading organization having the creative ideas that transform the world, we have got to be better than we are right now on diversity. We've tried hard but it isn't good enough. We got to do more and we got to do it in every office and in every corner of the organization and we've certainly been making some commitments on that and it's such great a win-win because it's the right thing and it's going to be great for our business and for our clients.

Lenny Murphy: Daniel, **so your take on all of this mish-mash of amateur futurism that we've just played out?**

Daniel Hunt: Yes. I mean to Jeff's point, certainly the world I think is going to be more digital. We even see that in our businesses. E-comm channels up triple digits, other channels, down 10, 15%, right? So that's the shift that I think largely is going to stay, right? People are going to go back to stores but people are going to continue buying things online. I think you see as a manufacturer a lot of people are looking at doing direct consumer. A lot of people are looking at how do you better support e-comm, even how do you better activate e-comm. If you have Instacart now





delivering from Costco, okay, well, that's a very different path to purchase than what people would do if they went into a Costco, right, where they're going to have a date with their significant other and discover new items, it's a very different thing online. So I definitely think that's something that's going to continue being important from a research method standpoint. I think we're going to see that continuing shift to everything online and less and less in person. So a consumer's wants, the way we're going to be working, it's the way our partners are going to be working.

The exciting from our perspective is just that it's forcing a lot of innovation and it's forcing a lot of innovation and it's forcing a lot of people to adapt and get comfortable doing things that they weren't doing before from a research standpoint. I think a lot of times, once you see that happen and you see the benefits, it becomes a lot easier to move people. So do you need to do an in-person focus group or once you've seen what you can do without it, maybe you don't anymore.

Bruce Haymes: I'm worried about what Daniel thinks is a date. [Laughter]

Daniel Hunt: It was an interesting piece of research we actually did on how people shop and why people shop for our categories. One of the things we found was actually a trip that was really all about having fun, discovering things, you do a lot of research beforehand, you're going with your significant other and you're trying to explore and find new products like, "That's really interesting, what is that?" Well, it's the shopping trip to Costco among millennial shoppers without kids.

Jeff Reynolds: Hey Bruce, do you not have children? He just had his second kid. That isn't a date. Costco is a trip to Vegas. This guy is going to be locked in for weeks.

Lenny Murphy: If you don't bring the kids. If you bring the kids, it is a far different experience. If you go to Costco without the kids, hell yes, it is a date. So yes.

Bruce Haymes: I also think that there's a lot of opportunity for the resurgence of martech which martech and adtech have been kind of nasty words for the past few years because of the financing issues that have happened with venture capital in those businesses. But I think that there's a second wave of martech that's coming as a result of all this and maybe things that were too early for their time a few years



ago are now going to be right time. I have a business that we have invested in now that is working on heavy-duty modeling of buyers on Amazon for Amazon marketplace sellers which is a billion-dollar market that nobody really pays any attention to but the advertising that these producers are spending is fairly significant. So I think even the way we perceive what the retail model is is going to be different. There are going to be a lot of opportunities for innovation within there. I know a few of my clients also, and I think this is kind of like a tried-and-true truism about these types of periods, is that those that do have the cash to invest in innovation, acquisition, and acquiring talent, this is the best time to do that. It is a time to retrench and reevaluate but it's also time to take your biggest risks because there's not that much more downside than what we're seeing in the market right now. So a number of my clients and a number of the startups are actually making big investments either in organizational changes and pivots or in platform development and new products.

Lenny Murphy: Yes, most of the startups that I know, including ones that I'm personally involved with, same thing. I want to be conscious of time and conscious that Gregg has been uncommonly silent. **So as we kind of move into the wrap-up, Gregg, what's your take on the future and any questions that you want to ask the panel as well?**

Gregg Archibald: So I think we've covered a lot of things in terms of, yes, Bruce mentioned things being deeper, scalable, insightful, Jeff mentioned passive and digital and speed and all of these things. These are really kind of data-oriented components of the industry. Fiona mentioned the changing nature of the client relationships. I want to dig in on that a little bit because one of the things I believe that we are seeing, I'm not positive of yet, is an acceleration of the nature of relationships that suppliers have with clients. So some of this is very data-oriented, very findings-oriented. What Fiona described was very kind of consulting-oriented, being able to get deeper into the strategic implications of what's going on with speed. So one of the things that we've seen over the course of the past few years is the companies that really focus on data, getting better data, different types of data, all that kind of good stuff, visualizing data, analyzing data differently. Those companies have generally been growing above industry average. Those companies that focus on providing an answer what to do next have generally been growing above industry average. Those companies that kind of sit in the middle of that and provide



findings, those companies have had a difficult time and I think they're going to continue to have a difficult time. The acceleration I think is going to be around both ends of that continuum, the bifurcation in the industry.

Lenny Murphy: Is there a question?

Gregg Archibald: Do you want to dig in deeper.

Lenny Murphy: So anybody have any thoughts on Gregg's take on that?

Jeff Reynolds: Well, obviously, you're preaching to the choir, Gregg. At LRW Group, we've made a huge commitment in our strategy over the last three to five years to expand beyond being maybe a traditional insights consultancy. So we now have either acquired or built capabilities for digital marketing, modern loyalty, customer experience because we believe that – and it's part of speed and it's part of creative integration that you got to help take clients all the way through that journey and that the old business model, the insights sits over on this side of the wall and they throw things over to another side of the wall is not optimal. So for example, we recently as a nonprofit venture, we got connected with the number two provider of blood donations in the United States behind the Red Cross. We recognize because of COVID that people weren't donating blood. Initially, it was such a crisis and then when they stopped all the elective surgeries, then the blood supplies weren't in as much demand. But now the blood supplies have come back on and is there enough people to donate blood.

So literally in four weeks, we did a full strategic insights assessment of how to compel people to go in and donate blood and who could be that opportunity and then perused a creative campaign strategy and went into execution - we did it in four weeks. Because we had the insights and the answer if you will, to Brian's point, to be able to take that out, that produces a real material difference in how fast and the seamlessness with which you can try to have the client impact. So what Gregg just said there is in some ways gospel for us. That is what we believe is the future.

Bruce Haymes: I think if you summarize what you both are saying, which I think has been sort of the holy grail of market intelligence as a service what you're really doing is you're pivoting from a professional services business, which is the legacy of this industry,



into a product business. I think that's going to be the way you win is the more you are selling a product and the less you are selling a professional service, in other words, something that the client can play around with, something that the client can manipulate, customize, that they don't always need a conversation, a PowerPoint or a Zoom meeting or a webinar to take your product, you're ultimately going to scale better and the clients are going to be happier. I think if I was going to look at two years, I would say there's going to be more products in market research and market intelligence than there are services.

Lenny Murphy: So Daniel, I see you nodding. Fiona, hold on. I want to get Daniel's perspective since we're talking about – we're putting words in your mouth so to speak. Fiona, you get to wrap us up. So Daniel, is that...?

Daniel Hunt: Sure. I mean I agree completely. I think that if you look the way our insights organization is built and the way that a lot of them are, you have a lot of smart people, a lot of people that come from a consulting or research background. So we got plenty of smart people. What we need is either things that we don't have data to do, things that we don't have capacity to do, things that we might not have a specific expertise to do. So I think Bruce hit the nail right on the head which is products versus services certainly are what we're moving to, because a lot of times when we're going externally to research partners, it is "I need this thing, how do you do this thing? I need a way to model both the short-term and long-term impacts of media on sales and I don't have access any of the sales data and only some of the media data, how do you help me solve that specific problem?" So I think the more that we see research partners really developing specific solutions rather than kind of thinking of themselves as soup-to-nuts helpers, I think that's going to be beneficial. Because I can say from a client's perspective, the messages that tend to get ignored very quickly are the ones that say, "Hey, we're a full service research company. That's fine. We have 10 people who can write surveys and do data analysis and do conjoint stuff unstaffed. Tell me about you how you can solve the problems that we can't really solve here and be specific about that."

Lenny Murphy: Fiona, you get the last word.

Fiona Blades: Thank you, Lenny. That is such a pleasure. Well, I was actually going to react to what Gregg said in relation to – I've spoken about the actual relationship with



clients. So I want you to go onto the data side and I think this has also been brought up by Bruce and Daniel. I think we can think differently and more laterally about data. One of the things that we've been doing, because we've just been listening out to what our clients are saying, and some of them, again particularly in the banking sector, have got a big issue with fraud. There's a lot of money that is being wasted due to fraud, which is the fastest-growing crime in the UK. One in four people are going to become victims of it. So we teamed up actually with another woman in business that searches the dark web and we've created a product there which is going into a completely different set of purchases. It's the head of fraud that you speak to. But I do think when it comes back to data and product and insight that we can be thinking more laterally. I feel that now, people are open to data. Everyone's been looking at things like the coronavirus numbers and the hospitalizations and what makes a good number and a bad number. I think that the whole country and globally have been more educated about data and its importance. So I'm thinking that there's a lot of opportunity there in the future for all of us too.

Lenny Murphy: That's great. So sometimes these things feel like we have to kind of push it. Some of them feel like we could keep talking for hours. This is one of those. I feel like we could keep talking for a long time and that's all thanks to this wonderful panel. Also, I'll be remiss if I didn't offer a plug. We're recording this on Tuesday in an hour, Gregg and I are going to be on with revealing the new GRIT data and the new GRIT report that's coming out. There's nothing that we have said here that that hasn't shown as well from a data perspective. So that's it. Well, it makes me feel good because I'm not hearing anything like, "Shit, did we get it wrong? No, we didn't. it sounds like we didn't." [Laughter] Anyway, thank you all for being here and thank you for all of your wonderful input. We will certainly have you back again at some point and some configuration. In the meantime, everybody be well, be safe, stay sane, and we'll talk again soon. Thanks.