

# SYNDICATED RESEARCH PROVIDER END-USER SURVEY: SUMMARY OF RESULTS

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For many years, competitive intelligence and market research professionals have relied on a wide range of publications to monitor and extract information in their respective industry sectors. But the rapid growth of the electronic publishing field has created more information providers than ever before. For many users, this world of digital content publishing can be confusing and often overwhelming. Which vendors provide the greatest value, and according to what standard?

We have developed a unique and extensive knowledge of the leading segments of the digital content

marketplace, and have leveraged this experience by compiling a series of market studies and surveys. The following article details the results of the survey which focuses on the leading Syndicated Research (SR) Providers.

## HISTORY OF THE INDUSTRY

The field of Syndicated Research has been in existence since at least the 1940s, when Britain's *The Economist* magazine founded the Economist Intelligence Unit (EIU) in 1946 to provide customers with information on key countries, markets, and business trends. (For a list of other leading providers, see Sidebar 2.) The older, more established firms are generally quite diversified in their products and services, and provide Syndicated Research across many geographical regions and multiple industry segments.

## THE COST OF INFORMATION

Every manager at every level in every industry is responsible for making good business decisions. But to make sound decisions, managers must have reliable and readily available information. A 2000-2001 study conducted by Outsell, Inc. found that American companies were paying their employees \$107 billion a year to search for external information. Knowledge workers spent about four hours per week gathering information, and an additional four hours per week reviewing and applying external information at an average salary of \$30 per hour. The search for and review of external information at \$240 per person

## SIDEBAR 2: SYNDICATED RESEARCH COMPANIES

Economist Intelligence Unit (EIU)  
1946 ([www.eiu.com](http://www.eiu.com))

Frost & Sullivan 1961  
([www.frost.com](http://www.frost.com))

International Data Group (IDG)  
1964 ([www.idg.com](http://www.idg.com))

Gartner Group 1979  
([www.gartner.com](http://www.gartner.com))

Forrester 1983  
([www.forrester.com](http://www.forrester.com))

Datamonitor 1989  
([www.datamonitor.com](http://www.datamonitor.com))

## SIDEBAR 1: KEY QUESTIONS

Who are the leading SR providers and what are their respective corporate affiliations?

Which providers best serve your industry?

What do subscribers currently think of the performance of their respective SR providers?

What level of satisfaction do subscribers experience from their SR provider products and services?

What are the most common sources of complaints identified by current users of SR provider products and services?

per week is a significant investment of employee time and corporate resources. Undoubtedly, costs are much higher today.

The cost of information to companies is a key reason that fee-based services -- also known as "value-added" services -- offered by syndicated providers such as Gartner, Forrester, and IDC continue to be highly important to the information industry, even though they face new challenges every day from a multitude of web-based information products and search tools.

Based on the responses to Cipher's Syndicated Research survey, some firms spend as much as \$50,000 per year—in some cases, more than \$100,000 per year—on this content. None of the

respondents cited cost as a reason for changing service providers.

### Advantages

Traditional fee-based SR services offer high-quality analysis drawn from a wide variety of sources. These include first-hand commentary from leading industry experts, as well as secondary sources such as newswires, newspapers from around the world, trade magazines, newsletters, investment house reports, scientific and medical journals, patents, and so on.

More established firms can draw from extensive archives of periodicals and historical financial data, either from their own holdings or through partnerships with data aggregators. The Economist Intelligence Unit (EIU), for example, has more than 150 years of data from *The Economist* magazine.

### Disadvantages

The expression “there is no such thing as a free lunch” certainly applies to the world of Syndicated Research. Costs can be prohibitive, particularly if the potential customer is a smaller firm. For example, a standardized annual survey of a particular market segment might cost a few hundred dollars, whereas a more specialized study of the same industry might be many thousands of dollars, depending on the level of analysis provided. As noted previously, however, cost did not appear to be a key factor to the end-users who responded to this survey. Firms are willing to pay for the right information.

### END USER SURVEY HIGHLIGHTS

The survey consisted of an 18 point online questionnaire based on our experience. We focused the questions on satisfaction levels with current providers, usage and subscription information, and current issues facing the industry.

Representing the pharmaceutical, telecommunications, insurance, healthcare, manufacturing, financial

and competitive intelligence industries, the survey sample included respondents from SCIP and Special Libraries Association websites, as well as from our own internal database of contacts. They ranged from corporate librarians to CI analysts to directors of competitive, strategic and business intelligence.

Among those surveyed, Datamonitor was the most widely used syndicated research provider. Other top firms included Gartner, Forrester Research, and Frost & Sullivan. However, when asked which firm was “most important to your everyday work,” the majority selected “Other” and listed smaller or specialty firms. When asked why, many people cited the firms’ thoroughness, breadth, and level of expertise.

Most organizations have subscriptions with their research provider (over 68%), and most have subscribed for over 3 years (69%), with 44% having subscribed for over 5 years. Most organizations are either happy with their service or locked into long service contracts. When this data is considered along with the general satisfaction level of respondents, it suggests that most firms are pleased with their provider’s service. Only 38% reported a yearly evaluation of suppliers.

When the respondents changed providers, 44% indicated service issues were the main reason, while 17% had discovered another service that better suited their needs. No single primary reason surfaced among respondents, however.

Syndicated Research is not an inexpensive proposition. Over 50% reported spending \$50,000 - \$100,000 per year on this type of research. Interestingly though, 63% also reported that their subscription offered user-specific access, rather than enterprise-wide access, with most having subscriptions granting 5 or fewer users. Organizations, then, view research as valuable, but not at the added expense of allowing everyone unlimited access.

Among those without subscription access, over 80% purchased at least three reports per year.

Most respondents reported a very high satisfaction level with their providers. The most positive comments are highlighted in Sidebar 3. When asked to summarize their general opinion of the research firms, the almost entirely positive comments indicate general satisfaction from all respondents, although a common thread appears to be comprehensiveness. Many respondents reported having to use multiple providers to get the information they need.

The limited number of negative responses, as well as their lack of commonality, indicate that these complaints are specific to particular situations and firms. These responses ranged from uneven account services and expensive customer research to lack of coverage for Eastern European markets.

### OVERALL RESULTS

In general, the respondents are satisfied with their Syndicated Research providers. Most have remained subscribed with their current providers for more than 3 years and only re-evaluate their subscriptions when a material change, such as service levels or new requirements, occurs. From all responses, a few themes are evident.

**Quality of Service.** Almost all respondents were happy with the content provided. They found the information to be of the highest quality and generally up to date. While individual providers sometimes had gaps in information, other vendors were often available to provide the necessary supplemental information.

**High Cost/Value.** The great majority of respondents indicated they budgeted more than \$50,000 per year towards Syndicated Research Providers, with 29% paying more than \$100,000

### SIDEBAR 3: WHAT PEOPLE APPRECIATE MOST ABOUT THEIR PROVIDERS

Quality analysis and relevance of their work to our core competencies.

High regard analysts have earned within our company and across the industry; their influence on Wall Street.

Usefulness of reports in terms of getting up to speed quickly in a new therapeutic area and evaluation of a competitor's strategy.

Good foundational data—a place to 'quickly' find information that augments more generic data obtained by web searches.

Up-to-date research, monthly reports, and quick replies to analyst inquiries.

Reports offering excellent clinical and commercial insight and analysis supported by well documented primary and secondary market research.

Global coverage, strong analysis. Access to analysts and subject matter experts to gain further insights on a wide range of issues and topics.

Unique sources offering global reach to augment our own capabilities.

Objectivity of reports.

a year. At the same time, there were almost no responses indicating high costs as a downside of using these providers. In fact, several respondents indicated that without the providers, they would not be able to afford to pay their own staff to research the same information.

#### Satisfaction/Provider Loyalty.

Most respondents indicated that not only were they satisfied with their providers, but that this had been the case for several years. Only a few indicated they regularly re-evaluated their subscriptions. Most are willing to stay with their existing subscription until specific issues arise.

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