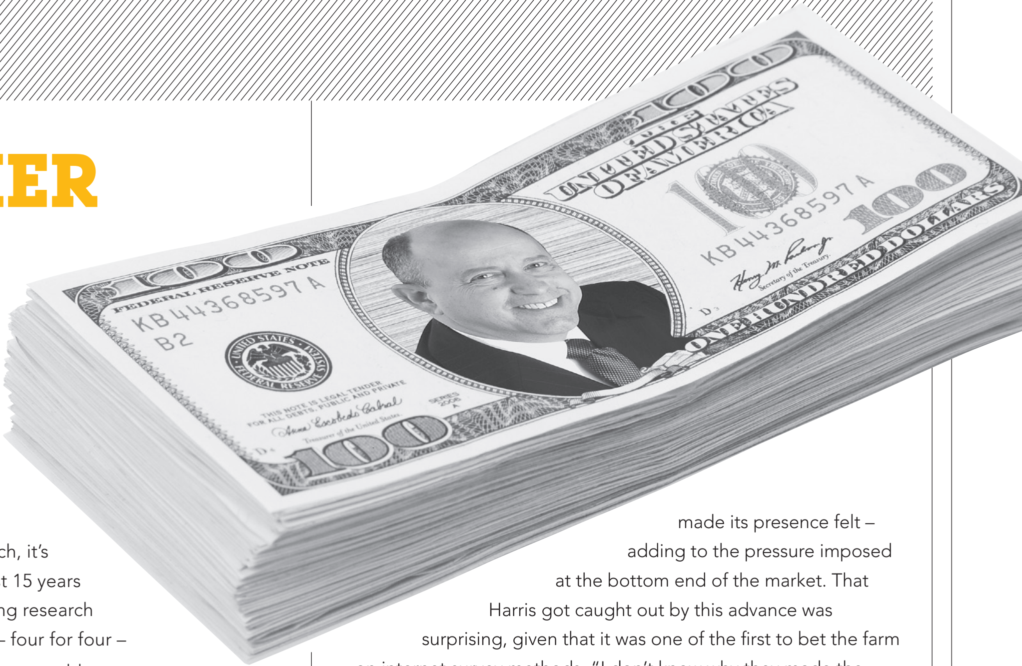
THE FIXER

Al Angrisani has made millions for shareholders by rescuing struggling research firms. So how would he fix the research industry? Interview by *Brian Tarran*



If anyone qualifies for the title of 'turnaround king' in market research, it's Al Angrisani. Four times in the past 15 years he's been called in to fix floundering research businesses. His record is spotless – four for four – which makes him the go-to guy if you want to understand what's going wrong with the market research business model, and how to correct it.

But if you're looking for definitive answers, you're going to be disappointed. "I think the industry is in a state of substantial transition and the model of the future is still to be defined," he says.

The causes of that transition are easier to diagnose, however. Angrisani points to technological change, which is leading to new ways of collecting data, and these, in turn, are putting pressure on traditional research pricing.

He felt all three factors keenly when he was called in to steer a turnaround of Harris Interactive in 2011. It was his second go-round with the company, having led a recovery once before, which saw the firm's share price almost double, from $4.20 in 2002 to $8 in 2004. Seven years on, when he was called back, the company's stock was trading below a dollar.

"Harris reflected all the changes that were, and are, going on in the custom market research industry," says Angrisani, who eventually sold the business to Nielsen in February this year for $2.04 a share. "The first time I went to Harris, we could actually make money from data collection. But the market for internet research, on the data collection side, had become so competitive in 2011 that you were lucky if you could break even on it."

Angrisani says that project pricing had fallen anywhere from 20-40% in the years he'd been away from the business – during which time he'd affected a turnaround at an online data collection company, Greenfield Online, which was eventually sold to Microsoft and then Toluna.

In those intervening years, do-it-yourself survey technology also made its presence felt – adding to the pressure imposed at the bottom end of the market. That Harris got caught out by this advance was surprising, given that it was one of the first to bet the farm on internet survey methods. "I don't know why they made the decisions they made," says Angrisani, referring to the previous management team, "but they clearly fell behind on the technology front… They didn't know how to stay relevant."

Relevancy is an issue that many agencies are wrestling with, which is understandable, given that the research business is seeing encroachment both at the data collection end, and at the insight and advisory services end. "We're seeing the consulting industry coming down the food chain a notch, because consulting companies have very smart people – not terribly different from researchers – and they can provide tremendous insight as a result of their broader capabilities in specific industry areas," he explains.

One might think that an industry being squeezed at both ends sounds like an industry at risk of being flattened, but Angrisani would probably chide this pessimism. Money spent on research and insight is not going away, he says, it's just moving from one bucket – in Harris's case, the custom research bucket – to a different one.

"People are not going to spend less money on data and information, they're going to spend more – because it's a big differentiator," he explains. "But agency CEOs have got to see the opportunity; they've got to make the investments and make the changes to their product lines."

"Clearly, the research industry is going through a structural transition, which will probably continue for the next five years, but that will then set it up to be more technology-driven, more data-friendly and perhaps more like the consulting world than people imagine," says Angrisani. "The industry is not going to go away, though. I can promise you that."