

Report

Best Practices of the World's Successful MRDs—Plus Key MR Industry Providers

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The Golf Digest Companies

Pushing and Positioning MR as Means Toward Successful Business Ends

Media research often serves as little more than an advertising sales force go-for unless proactive steps assert its broader value. The 15-year career of Jon Last, Executive Director-Corporate Marketing & Research for the Golf Digest Cos. (New York, NY), has been built on leveraging MR for big business wins, which has assured research its place at the decision-making table of all his employers.

"Too often, people tend to use research like a drunk uses a lamp-post, for support rather than illumination," Last summed up. "People wanting numbers to hide behind to back up their position can be a compromising situation for a research provider or marketer. They need to blend research seamlessly as a guidance mechanism for the enterprise's overall marketing, communications and strategy, or people will question its validity, justification and utility," he cautioned.

Since joining the multi-title, golf-focused division of Advance Publications in 2001, Last has cemented the existing MRD's footing by aligning it with a marketing team he created and a database function. The result: a three-pronged, multi-purpose, MRD-powered engine that delivers value to a broad spectrum of internal clients and advertisers. "Traditional magazine research departments are predominantly focused on analyzing syndicated studies and churning out data. That's the antithesis of how we do things here," explained Last. "Integrating marketing and database aspects have transcended us

Marketing/Management from University of PA's Wharton School (1991). Fresh off his graduate work, Last got his foot in the door at the PGA (Professional Golfers' Association) of America (Palm Beach Gardens, FL), partly via his Wharton regression analysis that uncovered the key scoring driver for the game of golf. "The CFO recruited me to be Manager of Consumer Marketing, initially a one-man strategic planning function," he clarified. This opportunity proved to be as atypical a first job as any MRD head ever chronicled by RDR.

The PGA, a \$100-million-plus organization, had no MRD. "It made decisions without understanding the market," Last recalled, so he hired outside consultants and, in the process, bolstered his MR knowledge. Audits, attitude and usage studies plus focus groups gradually gained momentum and Last was soon charged with testing a new PGA loyalty program across some 250 facilities.

A career milestone for Last occurred in 1994 with the initial release of the PGA's "All About Golf" segmentation study, created by Last and the late Jamie Boyer, an early mentor, then at Frequency Marketing, Inc. (Milford, OH). "It looked at golfers as consumers," recalled Last, "and was a holistic retail assessment of golf. It legitimized MR at PGA and had relevance and application with PGA sponsors (such as PepsiCo and General Motors). It became almost self-liquidating because it gave us the chance to market MR." The study's expensive investment was more than covered when results were widely sold for a nominal cost.

Last's MR projects began to frame the PGA's strategic direction. "Management began to recognize that MR was really paying off," he explained. Thus, the MR budget flowed from line departments and a management strategic fund. Workload steadily increased and Last was elevated to Senior Manager-Consumer Marketing in 1995.

Once additional MR staff was on board, Last started steering away from outsourcing MR. "We could do a lot of work with field and tab," he disclosed. "I joined MRA as an end-user member (he now chairs its Professional Development Council) to learn more about sub-contractors that full-service firms worked with, so we could develop a full-service internal capability. By the time I left, we handled all of the questionnaire design, sampling through our membership and business lines, and even conducted some of the field and tab ourselves. That's how I do things to this day. We save lots of money, it's faster and there's an invaluable ownership and closeness to the data. If we outsource everything and let a report come in, we aren't going to be able to evangelize it as effectively throughout the organization. I typically use full-service agencies only when I need an objective third-party or when workload has become too great."



"Learnings" In This Golf Digest Companies Profile

- Expert researchers that think like marketers score big time
- Dynamics of taking MR from cost center to profit engine
- Full-service MR done in-house with small staff saves time, cash
- Balancing "research for illumination" with "research for support"
- How to get MR's foot in the door on the CEO/CFO/CMO suite

from an internal supplier or staff function to true strategists and innovation agents."

Last describes himself as focused on "marketing, with a heavy consumer knowledge and research-oriented tilt. There has been a dearth of how to understand the marketplace at every organization where I've worked, with the possible exception of my current one. I've seized opportunities to build the MR infrastructure to drive conclusions from a more empirical basis."

Last's BA from Tufts University (1987) complements a MBA in

MR was only one of Last's roles at PGA, but MR permeated everything he did there. Given responsibility for the industry's two largest trade shows, he grew them through a "research-and-information-driven marketing effort that boosted buyer attendance from 25,000 to 77,000 people and drove revenues to \$19 million. "A number of studies figured out who was coming, what needs were or weren't being met, etc.," Last detailed. PGA eventually divested the shows (which Last helped sell) for a handsome return.

PGA MR justified expansion into merchandising and retail. "Feasibility studies about PGA asset brands at retail led to a new \$20 million business," he effused. He introduced tracking work, a disciplined analytical approach and models to help build annual buying plans. Just-in-time replenishment, SKU tracking and a complete event POS system were implemented. Pre-event mystery shopping ensured appropriate merchandise mix and pricing; exit surveys verified vendor and buyer pleasure. A licensing program was also initiated, generating additional royalties for the PGA. These combined successes gained him full access to PGA's COO and a 1997 promotion to Director-Consumer Marketing. When he left two years later, Last managed 12 people (two researchers) and an approximate \$500,000 annual MR budget.

In 1999, Renaissance Cruises (Ft. Lauderdale, FL), then the world's 5th largest line, recruited Last as Director-Marketing to help them fill eight newly-ordered ships. He likened the company's situation to some poorly-planned dotcoms. "Renaissance hadn't done any real homework to justify demand for the eight new ships, but it was going to take delivery in two years," he revealed. "And the travel agent channel, which traditionally handles 90% of

cruise bookings, had been alienated by direct-to-consumer marketing." Last took on and succeeded in varied domains: loyalty marketing (increasing annual repeat bookings 32%), eBusiness (5% response rates to e-mail marketing campaigns generated 31% of yearly bookings) and product management (mass marketing yielded \$40 million annually).

He was also charged with establishing a MR function, though management was not really interested. "Our founder/CEO was pretty opinionated and acted on instinct," Last explained. "He refused to acknowledge that there were competitors. I remember sitting in his office and he said, 'I like your report. It's well done and well thought out, but it's wrong. We're going to do it my way.' The founder was removed not long after." The next CEO had MR receptivity.

Last was promoted to Senior Director-Marketing in 2000 and served on the Itinerary Committee, making him one of 15 top people involved in strategic decisions. Staffing grew from two to 15, with a MR Manager and an Analyst. When he departed with other senior managers in 2001, after the sale of the company, more than 50 different annual primary projects were in place, supporting everything from itinerary development to branding to sales and competitive intelligence. In just two years, Last helped catapult annual bookings

(from 54,000 to 160,000) and revenues (to \$475 million). These advances were insufficient to save the cruise ship line, which ultimately filed for bankruptcy after he left.

While at Renaissance, Last had resumed a dialogue with former golf industry colleagues at what would become the Golf Digest Cos. Last briefly formed a profitable independent consultancy before Golf Digest Cos., which had just been sold to Advance Publications, approached him about being Research Director and a sales-oriented corporate marketing head. "I realized that at GDC I could do what a consultant does, but with resources I'd never had before," he commented.

When he joined in 2001, the MRD had three custom researchers, two syndicated researchers, a graphic designer and one marketing person. The database function, through a partnership with Oklahoma State University, included a more senior level professor and two analysts. Last consolidated the group, added two more marketers and a syndicated researcher and eliminated one custom job and one database analyst. Total headcount excluding Last: 11.

The staff now boasts two Associate Directors and a Manager on the marketing side, for *Golf for Women*, *Golf Digest* and *Golf World*, respectively. There are two database people. Syndicated MR has an Associate Director, Senior Analyst and Analyst. Custom includes a Manager, a Consultant and the Graphic Designer (an IT wizard, who, having taken moderator training, occasionally does intercept work). Last wants to add two more bodies in the next fiscal year.

Each function is a separate line item on the overall department budget, which has outpaced inflation and is allocated at Last's discretion in consultation with executive management. With the exception of an OK-based database person and the custom MR consultant, everyone is located within 30 yards of each other. Last encourages cross-pollination of the groups, noting the consolidated model ensures insights get funneled up into ideation. "They're more than colleagues; they're really good friends," he added, "and that interaction transfers to the quality of their work. There's a very holistic aspect to it. They inform one another's output."

The department is typically grinding out roughly 60 projects monthly; 12 to 15 are primary research. Much of the MR is conducted on behalf of the sales force. "Our marketing really functions more in sales support, analyzing and positioning the data. Everything that we do must support the differentiated positioning of each of our titles. It has to have sales utility. The MR people are the objective practitioners," Last outlined. The syndicated team has been told to produce more "white papers" (fact booklets for advertisers).

The marketing component, likened by Last to brand management, is responsible for CI, while also packaging and integrating other syndicated and primary information into compelling strategic presentations. "Their information helps sales make decisions as to our performance against categories. Our monthly publishers' reports look at sales and client data almost every way possible," he noted.

Last goes out of his way to assure his personnel comprehend the difference between quantitative and qualitative research. "I want to make sure people aren't making large business decisions based



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on what 24 people over three nights of focus groups have to say," he emphasized. "I fight that battle everyday. We must validate and quantify what we're learning."

Quantitative decidedly outweighs qualitative in budget and volume, but there has been an increase in qual of late due to exploratory new product/concept research and more clients asking for multi-phase qual/quant projects (from cover testing to issue-specific tracking to renewal/expiree studies). Continuous versus ad hoc breaks out roughly 30/70. The MRD conducts nine annual industry studies. Market segmentation work has been particularly leveraged. "I've basically turned my former PGA 'All About Golf' study concept into a strong asset here," Last pointed out.

Last's group oozes innovation. "We're introducing CPG disciplines and tactics never before applied in these channels," he remarked. Staff skills are routinely enhanced by dedicated training budgets and conference attendance. He is currently boning up on ethnography. "I think in positioning *Golf for Women* as a way for advertisers to reach the country club set, it would be compelling to create a day-in-the-life profile of our readers," he mused. "There is much conjecture out there about golf being a business and social relationship vehicle. I think ethnography could be very insightful if applied to rounds of golf. I need to get smarter in terms of its capabilities, costs and limitations, but it's on my radar."

Quantitative work is done chiefly by phone, but Last is pushing

titles' publishers, editorial, HR and a sports marketing team (events, tournaments, etc.). A New Business Development team, established by Golf Digest Cos.' CEO, has become a big MR user. "I was tapped in January to chair a corporate 'Envisioning Our Future' initiative," reports Last, "and the new business development heads are on that committee."

The MRD also serves Golf Digest Cos.' advertisers as a full-service supplier, aggressively marketed and positioned as a client value-add. Last explained, "Our CEO is pushing the sales force to push research to our clients as a very strong, unique asset of our company." Clients spending a prescribed number of ad dollars receive a variable number of merchandising credits that are redeemable for a portfolio of services, including custom research. "It makes absolute sense for advertisers to take advantage of our capabilities, instead of paying for a full-service supplier," Last reasoned.

Some, however, even pay out of pocket. "That was more the model before we were acquired. One of my goals is to drive back to the projects-for-profit approach," Last revealed. A testament to the MRD's prestige and integrity with advertisers is the research projects Last has conducted on issues with a potential conflict of interest. "We do a lot of MR supporting sales, but we distance ourselves enough to be objective. We do a lot of pre- and post-ad effectiveness work for advertisers. The results aren't always ideal from a sales perspective."

RDR impressions of Jon Last from his interview

Take a page from this guy's book, because Jon Last "gets it." A MR expert, Last has never been exclusively a researcher. He focuses MR on influencing big business wins, then uses those wins to boost MR's profile and support.

online. "Sampling bias and other limitations make it difficult to use Internet research to project our key constituencies. We've struggled in the past to amass a large repository of appropriate opt-in e-mail addresses for MR, but I'm building an online reader panel to help us. Right now, I subcontract more than I ultimately want to," he confides. Mail and intercept work on the golf course are also popular.

Given the target audiences of Golf Digest Cos.' titles, mass syndicated studies (like MRI, which he subscribes to) are not always relevant. "We supplement those data with Mendelsohn and a host of other niche, industry-specific studies that flesh out the market," he stated. Golf Digest is also a charter member of the Media Involvement Alliance, founded by Reader's Digest researcher Britta Ware and others, which conducts industry-wide primary MR and advocates use of a Readership Involvement Index (based on MRI's qualitative measures) that identifies publications with high reader connectivity.

Internal individual syndicated requests have nearly doubled to 200-plus per month, which are managed by a recently-introduced, Golf Digest Cos.-constructed online system that batches and processes requests. "We typically respond within 24 hours," he reports.

Apart from sales, internal clients include circulation, the individual

On the database side, Last's team is responsible for two products: 1) a product registration program through 25 golf manufacturers, presently run through Experian and 2) the "Database of Golf." Last is revamping the former to maximize its value. The latter geographically defines supply and demand dynamics of the golf industry through datapoints on all 16,000 U.S. facilities, including fees and operating statistics. It also observes where 26 million U.S. golfers reside. "We perform sales territory optimization for clients and can overlay PRISM and other external data to create a more 360-degree portrait of client's customers," Last summarized. The database also serves quite well for drawing sample.

The Golf Digest Cos.' supplier roster has changed dramatically since Last's arrival. "The prior bidding and assessment process was not as competitive as I wanted," he recounted. "We keep people sharp, which makes our suppliers better and more attentive." While Last brought many of the current suppliers with him from past jobs, "I select suppliers based on the quality and integrity of the people managing the work, not the company," he underlined.

Last reports directly to the SVP-Marketing & Promotion and has an "open door" into the CEO's office. "He's very hands on. I like to

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think I'm a trusted advisor and confidant," he commented. However, Last vigilantly pushes the MRD with both internal and external clients. "We constantly fight visibility battles and strive to prove our value every day," he confessed. "MR is not always easy to quantify from an ROI standpoint." To keep the organization abreast of MRD contributions, Last puts out a monthly report detailing everything the team is working on and its accomplishments across divisions. This includes clients served, their relative ad spend over last year, etc. Reflecting the MRD's success at getting the word out, Last reports "a total pleasure here is that other departments don't do their own research without coming through us. And I'm constructively paranoid enough to make sure that doesn't change." RDR