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WISCONSIN'S BUSINESS MAGAZINE

FEBRUARY 2010

## Thought Leader

T.R. RAO • MARKET PROBE





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**MARKET PROBE MEASURES ITS INTERNATIONAL SUCCESS ONE CUSTOMER AT A TIME**

By Laurie Arendt

**Though their commutes may be a little different**, their currency certainly not always the same color, the bankers in Medford and Bonduel actually have quite a bit in common with their counterparts in far-reaching places as Mumbai and Beijing.

The banker in Darlington? Though likely to be on a much smaller scale, she's working through the same set of concerns as her peer in Dubai.

Chief among those concerns: How to quantify and improve customer and employee satisfaction.

For a growing list of lending institutions, both domestic and international, that task has fallen to Market Probe, the global marketing research company based in Wauwatosa.

According to company founder and CEO T.R. Rao, Market Probe's beginnings were nothing more than a mere formality for what he had been doing in academia.

"I was working as a professor at UW-Milwaukee, doing some teaching, research and consulting," says Rao, who holds a Ph.D. in marketing. "By 1976, two partners and I founded the company more as a technicality for what we were doing. It is something that business school professors do."

Market Probe began with projects focused on market feasibility studies, consumer research, image research and marketing effectiveness.

Though successful in its own right, the small venture that was eventually acquired by Rao from his partners received a big boost from the quality movement, specifically the establishment of the Malcolm Baldrige National Quality Award during the late 1980s.

"The concept of quality was really nothing new, but what changed was that satisfying customers became a business discipline, and operations people found that it was something they needed to start doing," says Rao.

Because of that movement, Market Probe was contacted by St. Francis Bank. The end result ultimately provided the fuel for the future of the firm.

"There was a need for the bank to get their quality information faster, and in a meaningful and useable form for non-statisticians," he says. "At the same time, the project allowed us to test the market for what we were doing."

Market Probe struck a deal with St. Francis: Market Probe would write a program that allowed them to do just that, but not charge the bank. In return, it gave the fledgling market research company an opportunity to test the waters, and see if they were on the right track.

"We quickly realized we were on to something," says Rao. "Ultimately, our program would be used in 200 banks throughout Wisconsin."

When Rao looks back on this time, though, he colors it in "Death of a Salesman" shades.

"We were definitely out there, selling the program," he says.

The period from 1986 through about 1995 helped the company establish a credible client base primarily of U.S. and Canadian-based companies. By 1996, Market Probe had expanded beyond Canada to its first client in the United Kingdom and it established an office there.

"We started to compete with bigger players," says Rao. "We needed to be in multiple places to be competitive."

The company, which now operates in about 15 percent of the \$20 billion international research industry, has stuck with a calculated plan for success. Instead of trying to be all things to all clients, it has specialized and only works in specific industry segments.

"We didn't plan to grow in the traditional sense, in becoming a broad market research firm," says Rao, who notes that the company has continued to balance its internal growth with strategic acquisitions. Most recently, for example, last year Market Probe acquired a rival's pharmaceutical research group.

## Inside Look: T.R. Rao

**First job:** "I was 22, and I worked as a quality control specialist in a textile factory in Calcutta, India. I wanted to go to America, though, and only worked there for two years."

**Dream job:** "Growing up, I was enthralled with Bollywood and hoped to someday become a Bollywood star. Unfortunately, my talents didn't fit with my ambitions."

**Part of the world that excites you from a business standpoint:** "China, but I'm also fascinated with Southeast Asia in general. It's not an easy place to do business, though."

**What's your itinerary:** "In January, over the course of about 13 days, I traveled to Canada, India and Dubai. This month I will be in Brazil, Saudi Arabia and London."

**Travel tip:** "I always pack very lightly and I prefer not to check any luggage. I also always carry my passport 24 hours a day."

**With all the work-related travel you do, what's the one place you have your sights set on for a more leisurely trip:** "Kenya. I want to go on an African safari. I've never been there."

"With this acquisition, healthcare became a major practice area," says Rao, noting the deal provided the means for Market Probe to expand into the traditional pharmaceutical and diagnostic equipment manufacturing sectors.

Market Probe focuses on industries where customer satisfaction is critical: Auto and manufacturing, and banking. In addition, the company has begun working with agriculture, animal health, and pharmaceuticals, which are all profitable vertical markets, a slight deviation from their original customer service focus.

## Culture club

Maintaining an international presence was more of a challenge for the company,

which is located on a busy section of Highway 100 across from Milwaukee's Mayfair Mall, in the beginning than it is now.

"Particularly because we started in banking, being located in Milwaukee was a bit of an issue," says Rao. "People would say: Where are you? It would have been a lot easier if we'd had a Chicago address, for example."

And truthfully, most of the company's work does not happen here in the state.

"Wisconsin is not a big market for us," he admits. "We're probably better known in Mumbai or Singapore, for example, than we are here in the states. But our location is less of an issue for us now because we work with multinationals. Our location is not as relevant as the work we do for them."

Technology has also buffered the issue and advanced the market research industry at the same time.

the statistical analysis is the same," says Rao. "But the requirements needed to get that raw data and interpret it can be different."

That's where social science and research methods are important. "For example, we know that on a scale of one to 10, the Japanese and Germans will rarely give a 10; while Americans are much more likely to give a company a perfect score," he says. "That's just part of everyone's culture."

## Strategic future

Currently, Market Probe maintains a presence in 10 countries with an international staff of about 350 full-time employees. In 2009, the company was ranked by *Inside Research Magazine* as the second fastest growing of the top 35 market research firms, based on its \$44.5 million in annual global revenues and five-year growth rate of 154 percent.



"It has changed the way we collect client data; you can't do it without a strong IT component," he says. "You need to provide 24/7 access to data. It's a competitive advantage in our industry."

Success in this industry also requires a comprehensive understanding of how respective cultures use and respect technology.

"In some countries, everyone communicates via cell phone and they don't get charged for incoming calls like here in the United States," he says. "They don't have landlines. That definitely affects our data collection approach."

Market Probe also deploys a local staffing strategy internationally as a way to be sensitive to local markets.

"The market research methodology doesn't change from country to country, and

While a portion of that growth has occurred through international acquisitions, much of it is also due to making new inroads into emerging international markets. Last April, Market Probe released the first-ever rankings of Chinese banks based on overall customer satisfaction, marking the first time Chinese banks have examined the degree of customer satisfaction based on the standard of various comprehensive services of commercial banks.

That same month, Market Probe also established a separate firm in India, MP Global Link, to focus on international demands for quality data collection in developing countries. This firm has been conducting research across India, and in its major languages, including consumer surveying and mystery-shopping efforts. India, along with

the Middle East, is considered among the fastest growing research markets worldwide.

Targeting emerging markets has been critical for Market Probe, says Rao.

“We are a mid-sized company, and we do look where we can have a big presence,” he notes. “We are in London, but so are the very large firms. We could spend all of our money there, but it is smarter for us to explore other places, like the Middle East, where there may only be five market research firms. That automatically gives us a bigger presence.”

But that doesn't mean Market Probe forgets its core competencies.

“Every country in the world has banks, for example,” he says. “We go where the opportunities are for us.”

The company has also used a smart strategy to leverage its resources in regards to emerging vs. established markets.

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“Think of Vietnam — nobody goes to Vietnam,” he says, as a typical emerging market. “But, in a sense, that's also part of our strategy; it's an end-around. We go where the weakness is and where there is a low-cost entry into the marketplace. We can often beat the large agencies on price and quality, establishing ourselves as the country also grows.”

It's an approach that has been working well for Market Probe, even in a diminished global economy.

“Our business was down in pockets — North America, Europe — for 2009, but our globalization protected us to a certain degree,” says Rao. “And many of our clients remained interested in learning how they could build their retail customer confidence. That secondary market helped us.”

As for the end of 2009 and into 2010, Rao offers a characterization that most company executives would love to say themselves.

“October, November, December ... we really couldn't keep up,” he says.

And that's a statement that can be appreciated in any language. **CRW**