



**ANNUAL  
REPORT**  
2017



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# ABOUT IRIS RESEARCH

IRIS Research is on a mission not just to deliver good research, but great business intelligence for our customers.

Our small team of research professionals and management consultants work tirelessly together to co-create quality research experiences with our customers. Our work consistently exceeds their expectations, which is why so many are becoming repeat customers.

Our new research team is led by Dr Hande Akman, a globally-experienced quantitative market researcher specialising in consumer behaviour, brand tracking, consumer segmentation and trade-off research. Dr Akman carefully oversees our research assignments from design, data collection, analysis and reporting – tailored to the job.

And as Australia's regional economies grow in importance, it's good to know that as a regional business, IRIS Research resonates with and understands these communities.

IRIS Research - a full service social market researcher with 35 years' experience delivering great quantitative and qualitative research solutions for Australian government, business, and community sectors.

visit [www.iris.org.au](http://www.iris.org.au)

## IRIS RESEARCH

Better business intelligence

Our capabilities include:



## CAPABILITIES

Online quantitative research

Computer-aided telephone interviewing

Focus groups

In-depth interviewing

Workshop facilitation

Data mining

Advanced statistical analysis & modelling

Household interviewing

Mall intercepts

Mystery shopper

Management consulting



## SPECIALISATIONS

Community usage & attitudes

Customer behaviour & satisfaction

Staff opinion polling

Public opinion polling

Brand health / tracking

Advertising tracking

Market segmentation

Business to business

Service & program evaluation

In-House Market Research advice

Market Research Training



## MARKETS

Local government

State government

Federal government

Aged care

Health & community services

Education: pre-school to tertiary

Finance & Insurance

Property & business services

Cultural & recreational services

Retail

Communication services

Regional Australia

# CHAIRMAN'S MESSAGE

2016/17 has been another year of hard work and renewal with some important improvements and achievements for the long-term sustainability and growth for IRIS Research.

I am pleased to report an operating profit for a second consecutive year, reversing the organisation's long-term loss-making trend. We did not achieve our ambitious bottom-line target however, returning a small net loss. A retraction in our annual net equity position was due to a large and unexpected taxation bill from 2015/16, which was paid in full. Given the size and impact of this liability, the net equity result was good and achieved through prudent financial management.

Total income was down marginally on last year, but was a solid result given the challenging trading conditions and especially the negative impact of the prolonged NSW council merger uncertainty.

Improved governance and decision-making between Chief Executive and Board was strengthened by the

appointment of two new leading business executives from the Illawarra and I would like to thank my fellow Directors for their constructive efforts this year.

We made important investments in our research capability, with the appointment of Dr. Hande Akman as our new Head of Research, research process improvements, expanded research publications, an improved membership offering, and the implementation of more efficient cloud-based business systems. These investments will provide a foundation for growth over the next year.

I am particularly pleased to note the net growth in our membership with eight new members joining us this year. Membership is an important symbolic asset for IRIS Research and reflects the confidence of business and government in the organisation.

With our positive financial position, clear business plan in place and investment in new resources, I am confident

the following year will be successful for IRIS Research.

Finally I extend my thanks to Peter Watts, our tireless Chief Executive and all of the Team at IRIS for their sustained effort in achieving a very satisfactory outcome and establishing a strong and sustainable foundation for the future of IRIS.

**JOHN McEWAN**  
CHAIRMAN



# CHIEF EXECUTIVE'S REPORT

We are pleased to report an operating profit for a second consecutive year. Unfortunately, we achieved a small net loss of -2.2% due to reduced research income and a greater than planned dependence on research consultants to deliver work. These increased expenses were one-off and have been resolved for the coming year.

Total income was down 7% on last year due to the negative impact of the prolonged NSW council merger uncertainty; our largest single market. Now this situation is much clearer, we expect sales here to recover closer to projected levels over the coming year.

We were also hit with an unexpected, large tax bill from the previous year which impacted on our growth plans and financial performance. However, this has been dealt with and we will return on our path to strengthen the balance sheet over the next 12 months.

Our market expansion strategy delivered positive results, compensating for some of the unrealised local government sales. These new customers demanded changing research

approaches and increased use of new technologies that we could meet and which we expect to continue. Our On-line Panel of over 2,000 Illawarra residents is a unique and valuable asset which started to be used for commercial research and is a trend we anticipate growing over time.

IRIS Research membership increased over 40% on last year which was very rewarding. We worked hard to improve the total offering, led by our revamped research publications series. We were delighted to expand our Consumer Sentiment Monitor into Western Sydney for the first time as a valuable resource for the Illawarra business community. We have more exciting new research for our members planned for 2017/18.

A major milestone was our appointment of Dr. Hande Akman as new Head of Research on October 2016. Dr Akman has over 20 years' experience in commercial research with major global agencies and a specialist quantitative researcher in consumer behaviour, co-created value and branding. She has brought an exciting new level of market research expertise,

professionalism and experience to IRIS Research and we are building new team around her.

I am very pleased to report that we developed and commercialised an innovative market research product - IRIS Research Optimise™ - a break-through new research method which we believe to be the best, most accurate method of measuring community satisfaction in Australia today. Developed for the local government market, it has application to a wide-range of consumer-behaviour research requirements. Initial results for a number of customers have been very encouraging and we plan to market it aggressively.

A selection of case studies highlighting IRIS Research success in 2016/17 can be found within this report.

We also commenced prequalification for AS20252 certification which will be completed in December 2017; this will put us in esteemed company as only one-third of research firms in Australia are certified to the industry standard.

This has been a year of transition for IRIS Research filled with



successes and some trying set-backs. We enter 2017/18 optimistically and look forward to the challenge.

Finally, I would like to thank the Chairman and the Board for their generous guidance and support and the tireless effort of our great team of researchers and interviewers.

**PETER WATTS**  
CHIEF EXECUTIVE

# BOARD MEMBERS

NAME	MEETINGS ATTENDED
J E McEWAN	6/6
A RORRIS	1/6
D ISRAEL	0/6
K McCOLLIM (DELEGATE FOR D ISRAEL)	3/6
R RYAN	0/6
M BRANNON (DELEGATE FOR R RYAN)	2/3
J VOHRADSKY	5/6
B PETSCHLER (RETIRED 26/9/2017)	1/1
P MASTERSON	2/6
N HARTGERINK	5/6
A COLE	5/6
A MARTIN	3/6
D BROWN	3/6
J MURRAY	5/6
W STEEL	4/5

# STAFF PROFILE

## DR. HANDE AKMAN

After an exhaustive search, we appointed Dr. Akman as our new Head of Research in October 2016.

Hande has 20 years' experience in global commercial market research agencies working with some of the leading brands in the world. A statistician by training, she has excelled in advanced quantitative research. Her specialty areas of consumer behaviour, brand tracking, consumer segmentation and trade-off research is augmented by her recently completed Ph.D. in value co-creation, making her one of Australia's leading researchers in this emerging business model.

Her impact on the business was immediate. Dr Akman has introduced a new standard of market research capability to IRIS Research. Her research skills and knowledge, knowledge of new

analytical technology, innovative research design approach is exceptional and has created significant added value for IRIS Research and our customers.

Hande was the chief architect of our innovative IRIS Research Optimise™ market research solution, which marries 35 years of our research experience with innovative methodologies and advanced analytical software, in which we have invested.

We are lucky both as a market researcher and as a region, to have attracted a professional with such talent.

We have already started to build a new team of young quantitative and qualitative market researchers around Dr Akman and we look forward to the growth in our capability and capacity with excitement.



## PROFIT & LOSS

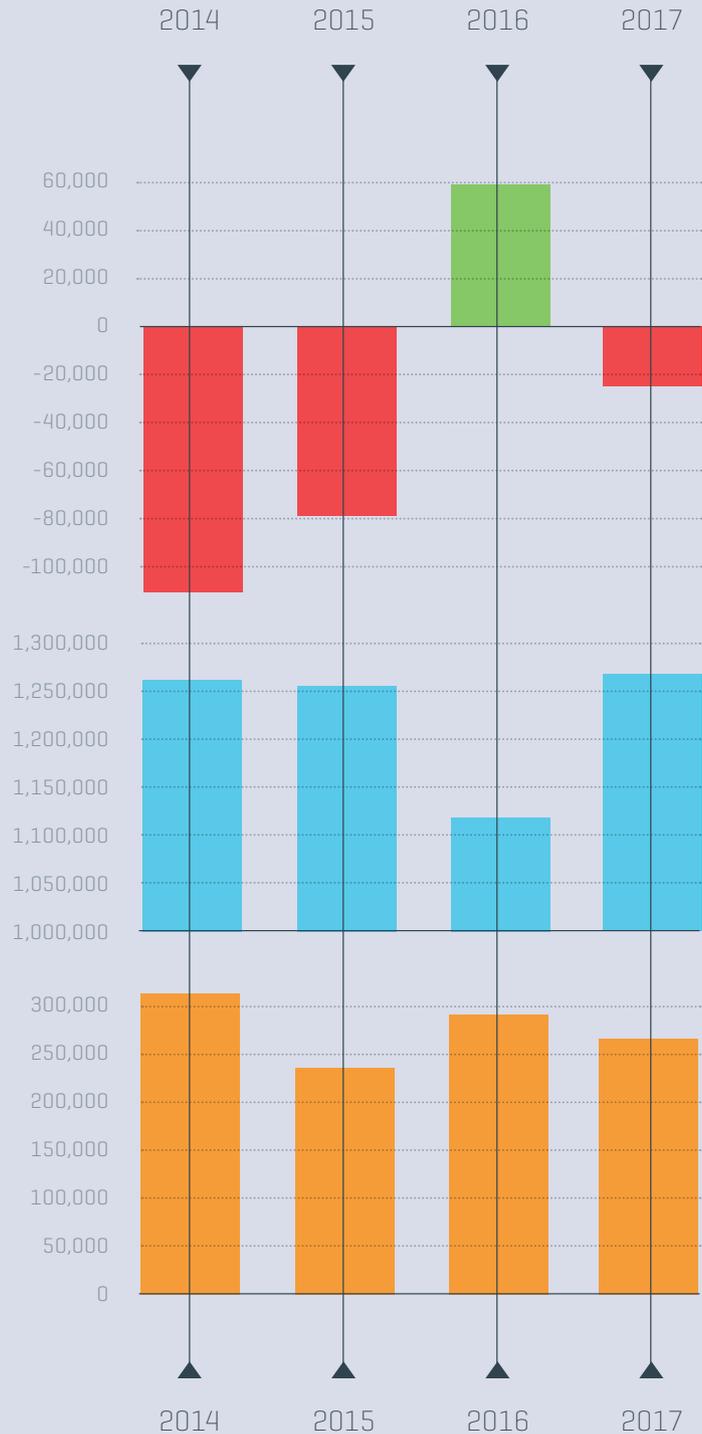
A modest operating profit of 0.2% returned a net loss of 2.2% after interest and depreciation expensed. This was largely due to lower than expected research income and higher than expected research consulting fees.

## EXPENSES

Key expense items were below or at budget excepting research consultants, which were three times greater than planned due to limited internal capacity.

## EQUITY

Equity reduced by \$26,243 or 8.9% due to payment of unexpected, large tax liability from 2015/16. The equity result is a healthy 13.5% stronger than the position two years ago and points to an increasingly stable financial position.

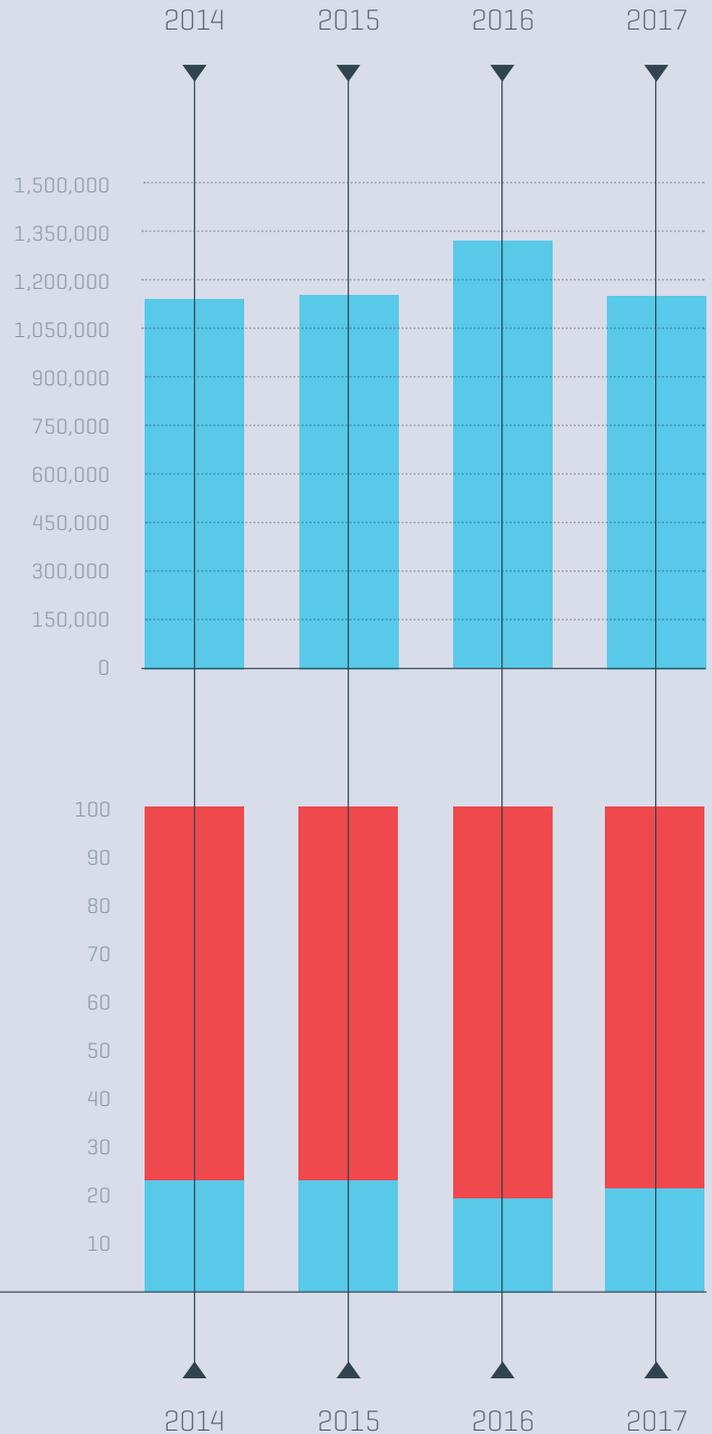


## ANNUAL INCOME PERFORMANCE

Total income was down 9% on last year as a result of a 7% decline in research income for the year.

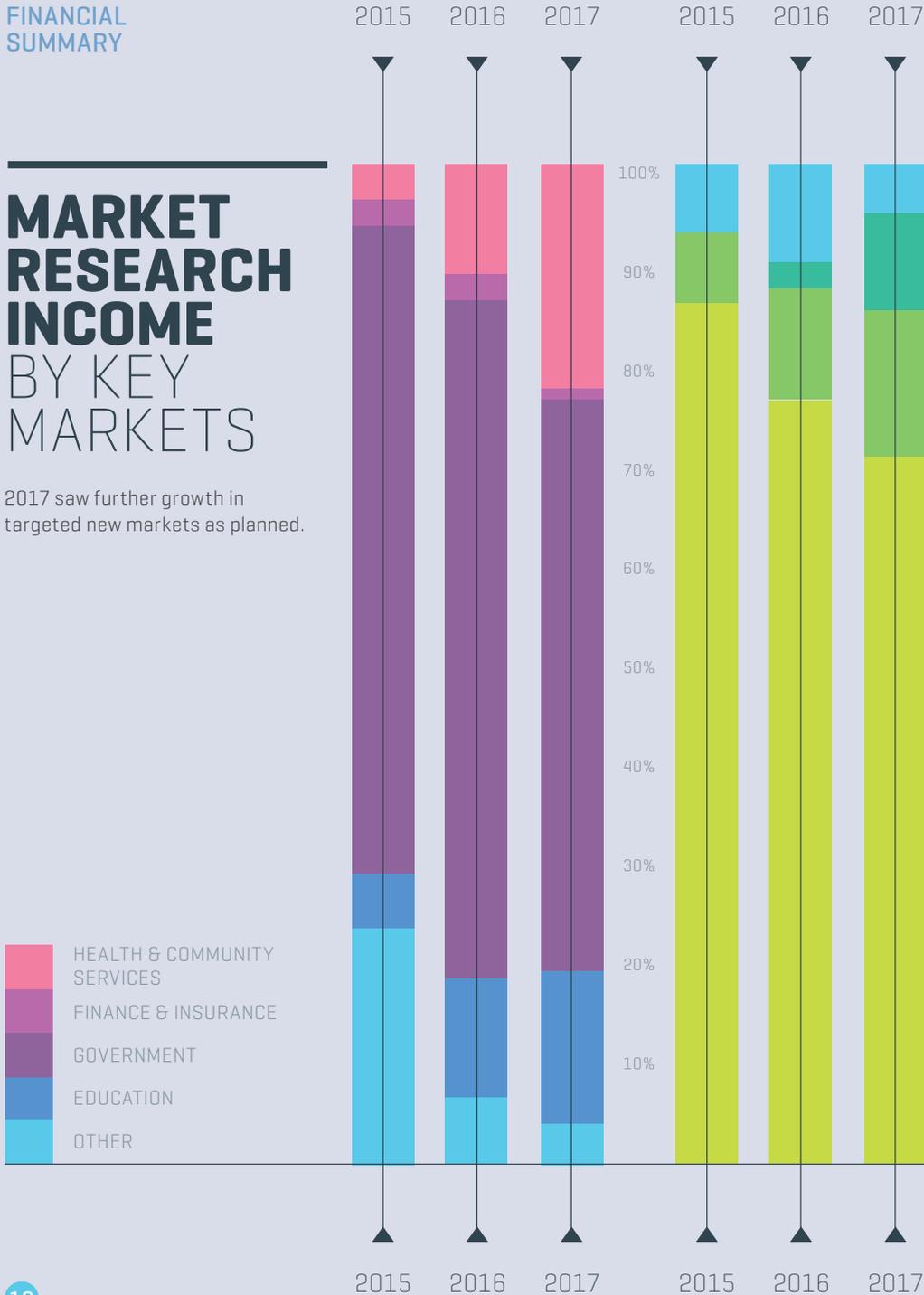
## ANNUAL REVENUE STREAMS

Commercial research income continues to grow in real terms, but was proportionally lower this year as a result of the reduced research income relative to grant income.



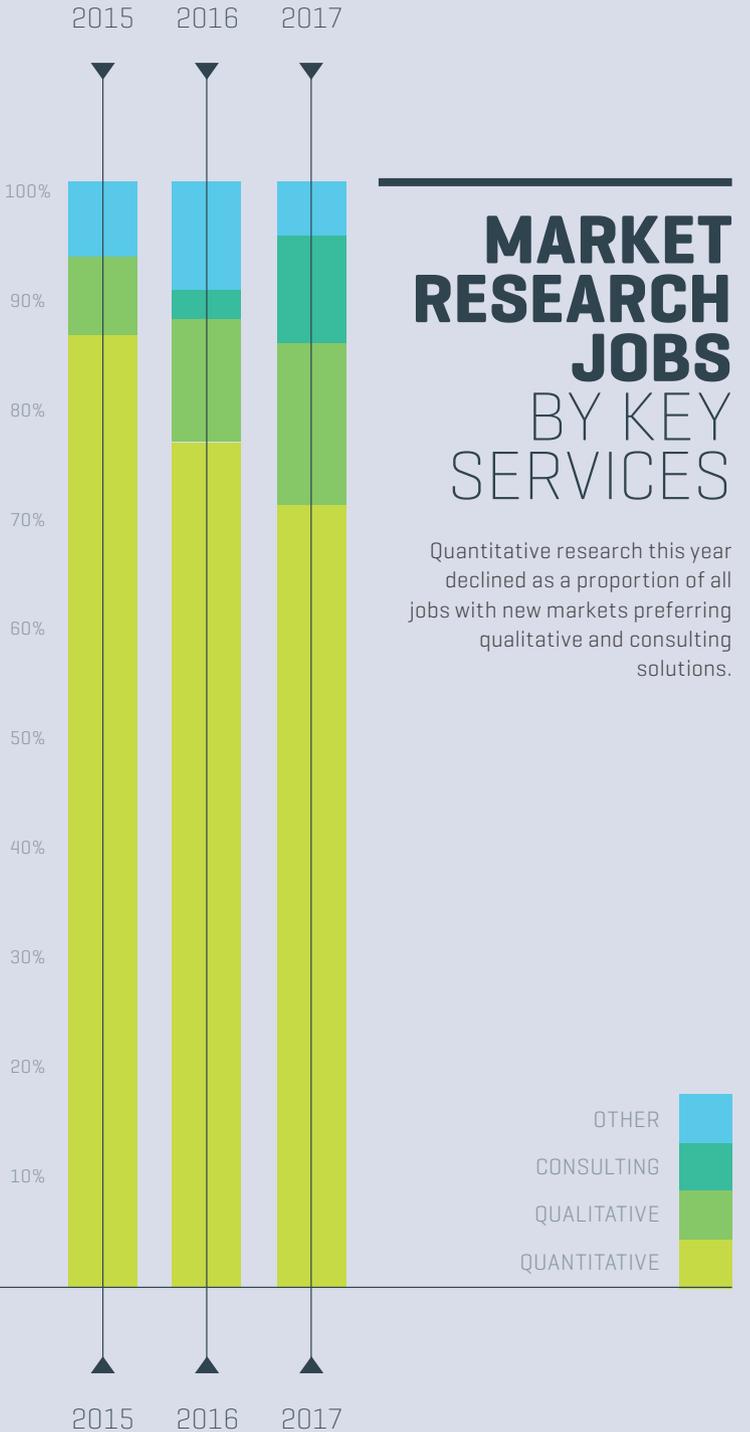
# MARKET RESEARCH INCOME BY KEY MARKETS

2017 saw further growth in targeted new markets as planned.



# MARKET RESEARCH JOBS BY KEY SERVICES

Quantitative research this year declined as a proportion of all jobs with new markets preferring qualitative and consulting solutions.



# IRIS RESEARCH MEMBERSHIP

IRIS Research is uniquely positioned in the world of market and economic research for not only the commercial research activities and consulting services we offer our clients but also the valuable research intelligence we make available through a subscription-based membership scheme.

Coupled with the full suite of commercial research and consulting services offered by IRIS Research, our membership packages have become a powerful business tool for anyone who operates or does business in the Illawarra to better understand the past and forecast their future.

# THANK YOU TO OUR SPONSORS

Our sincere thanks to all our sponsors and members who's continued support in 2016/17 was most valued and appreciated.

## PLATINUM MEMBERS



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city of innovation



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OF WOLLONGONG  
AUSTRALIA



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CITY COUNCIL

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MUNICIPAL  
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NSW BUSINESS CHAMBER  
IMB BANK  
PEOPLECARE  
SHOALHAVEN CITY COUNCIL  
THE ILLAWARRA CONNECTION  
KPMG  
NORTHERN RESEARCH  
INSTITUTE

## CORPORATE MEMBERS



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ECONOMICS & FINANCE  
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OF NSW  
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WESTS ILLAWARRA  
THE FLAGSTAFF GROUP  
RMB LAWYERS  
SMART INFRASTRUCTURE  
NATIONAL AUSTRALIA BANK  
UNITECH SOLUTIONS  
COLLEEN COYNE  
PROPERTY RESEARCH  
ILLAWARRA LEGAL CENTRE INC.  
STACKS HEARD MCEWAN

## SMALL BUSINESS MEMBERS



SUSIE FAGAN  
MARKETING & MEDIA  
KNIGHT FRANK

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# 1.

**A leading Australian Eastern Seaboard aged care provider selects IRIS Research from a large number of competitors to deliver its first major co-created value research to help identify immediate new revenue opportunities, growth strategy and brand positioning.**

**The client's brief:** To understand and quantify industry and global best practice in co-created value, customer and related actors' opinion and internal actors opinion and design ideas

**Our solution:** IRIS Research delivered a complex and extensive research project including primary quantitative and qualitative research and secondary research into the key actors in the clients' co-designed operating architecture. The research identified and quantified significant short-term new revenue solutions and provided clear recommendations about a co-designed organisation which adds valued to its customers and substantial brand differentiation.

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# 2.

**A large Queensland council selects IRIS Research from a number of competitors to deliver its first independent community satisfaction survey which will inform its long term corporate strategic planning and community engagement priorities. As its first major independent community satisfaction survey, the client also seeks a holistics customer service solution to generate confidence in the process by staff, Councillors and residents.**

**The client's brief:** To undertake a large [1,000], hybrid-methodology survey of residents to seek residents' overall satisfaction with council, council services and facilities, community engagement and communication.

**Our solution:** IRIS Research designed and delivered a total solution based on our new IRIS Research Optimise™ product. A hybrid, phased data collection approach including telephone [CATI] and on-line and paper-based surveys were conducted. Analysis and reporting is continuing at the time of publication of the annual report.

## Selected case studies of IRIS Research success in 2016/17

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### 3.

A large regional 0-12 year old childcare services provider operating in the Illawarra and Sydney selects IRIS Research to conduct their annual customer (parent) survey. This research is now a core planning tool for the company's growth and customer experience strategies.

**The client's brief:** To undertake a large (1,000), on-line quantitative survey of parents satisfaction with experiences of using their child-care services and facilities. To conduct detailed analysis on an issues, facilities and trend basis for specific business improvement reporting.

**Our solution:** IRIS Research delivered a major quantitative survey solution with a sample of over 1,000 parents, from design to data collection, analysis and reporting. Data collection was conducted on-line and sophisticated analysis including facilities and three year trend indicators was conducted. A very specific set of recommendations was reported to management and the Board for action. This is the third time in as many years IRIS Research has been selected for this work. The quality of our work led to being awarded the client's annual employee survey 2017 from a large national specialist competitor. Our organisations are now exploring a larger, more holistic market research solution for 2018.

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### 4.

A large Sydney-based council selects IRIS Research form a competitive tender to conduct multi-faceted market research into residents' 'events' perceptions and behaviours to inform its long term events strategy.

**The client's brief:** To undertake a large (600) telephone-based quantitative survey of residents use of and perceptions towards events in their local government area. This project had very tight time constraints which required innovative and agility to deliver on schedule.

**Our solution:** Despite the time constraints, we recommended additional research by way of five focus groups to inform the design of the quantitative survey and to enable psychographic segmentation of the residents to provide deeper insights and added value to the research. The client accepted this and we conducted five focus group which were separately analysed and reported to the main research. We completed the entire research project on time and to budget. The client complimented IRIS Research on a highly effective and efficient market research client management and subsequently invited IRIS Research to tender for a large, multi-year community research contract.

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## 5.

**A leading international Australian university selects IRIS Research to undertake extensive research into its regional assets and education programs to identify future sustainability opportunities.**

**The client's brief:** To research official statistics into the future demographic, competitor analysis and industry trends to identify underlying demand drivers. To research key regional stakeholders from schools, school students and mature aged students, to employers, current and past university students, local government and the university's regional management to ascertain their attitudes, perceptions and usage of the university's regional assets.

**Our solution:** An extensive six month, multiphase research project commencing with extensive secondary research to provide baseline data and profile of demand drivers and competitive environment. This was followed by extensive quantitative [telephone and on-line research] and qualitative [focus groups, in-depth interviews, mystery shopper] of multiple stakeholders to provide a holistic view of the principle's future sustainability opportunities in the target regions. In delivering this seminal research, IRIS Research undertook all design, data collection, analysis and reporting activities.

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## 6.

**A large NSW regional council and recognised leader in waste management selects IRIS Research to ascertain resident awareness and usage of its innovative FOGO waste collection program.**

**The client's brief:** To understand community awareness of FOGO and FOGO bin usage and habits. Evaluate the effectiveness of the marketing media channels and related ad campaign perceptions, perceptions of the Council as the provider of FOGO services and a better understanding of community lifestyle and attitudes to waste.

To complete the research including design, [telephone] data collection, analysis and reporting within six weeks with a representative sample of 600 residents. In addition to meeting the client's brief, IRIS Research recommended addition psychographic segmentation to better understand the nature and characteristics of FOGO users in the community.

**Our solution:** A co-designed research project with the client realised an innovate questionnaire and sample design. We conducted a large representative survey of residents using a hybrid data collection method of telephone and on-line surveying techniques. Along with analysis and precise recommendations addressing the project goals, we delivered detailed psychographic segmentation of FOGO users in the community, enabling the client to better target their communication investment. IRIS Research has been retained to provide strategic advice as the client develops its long term strategy.



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