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Charles V. Tines / The Detroit News

About Gongos Research's growth, President John Gongos, in his company's new office building, says, "If I had put all my best people on my biggest account I wouldn't have been in an optimal position to diversify."

Diversifying clients lifts research company

Auburn Hills' Gongos uses automotive roots, Web technology to build customers, staff, profits.

Maureen McDonald (*Metro Detroit freelance writer*) / Special to The Detroit News

AUBURN HILLS -- Amid-Michigan's turbulent economy, Auburn Hills-based Gongos Research is surging ahead with a new, 30,000-square-foot building and added staff because it learned how to use its best research tools and most passionate staff to grow business beyond its automotive roots.

Current customers include Best Buy, Nestle Purina, Hallmark, Masterfoods USA and Dominos, along with General Motors Corp. and Johnson Controls Inc., helping the firm to project better than \$10 million revenue for 2006, up from \$8.4 million in 2005. New accounts include Lowe's, Borders, the Hershey Co. and U.S. Bank.

The company grew employment to 55 members and continues to recruit for six full-time positions.

"It wasn't easy," said John Gongos, 46, the president and founder who started with projects from GM, Cadillac, Pontiac and then-Delco Electronics.

"All the experience I had, my contacts, clients and expertise were in automotive. If I had put all my best people on my biggest account I wouldn't have been in an optimal position to diversify."

His core staff became company shareholders whose livelihood depended on their ingenuity for generating business and producing results. Together they organized the company into three distinct areas: consumer products, retail/services and automotive/power-sports.

The team, Gongos said, investigated how to use standard research methods such as automotive product clinics to bring likely consumers together to assess a new car design as a way to research opinions about Christmas ornaments or flat-screen televisions.

Gongos also adapted Web-based technology to record opinions and provide reports within 24 hours of testing so clients could hone in on items with the highest sales potential.

Its highest profit margins come from custom Web communities. The research team recruits 300 to 500 online participants who get together for up to six months and dialogue with one another about buying behavior and lifestyle choices.

"If a product manager has a hot product issue we can get the Web community together today and get a response quickly," Gongos said. "Customers let their guard down, they are comfortable with an ongoing line of research questions."

Ken Dean, the director of quality systems for Nestle Purina in St. Louis, said Gongos helped his company grow its pet food business and helped design the way products were displayed.

"Gongos has helped us improve our packaging, what is stated on the package, what a customer wants to see," Dean said, noting the firm has a long-time business partner relationship.

Gongos has helped companies create a test store before rolling out a standard plan for stores across the country, finding out what customers like or dislike about the design and its ease of function for specific age groups, income levels or geographic needs.

In doing a larger quantity of Web communities and retail assessments, automotive clients have paid attention.

"Our share of automotive research is actually increasing because of a trend toward online methodologies, where we happen to be well ahead of the industry curve," Gongos said.