

# The Futures of Marketing Research

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## INTRODUCTION

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Facing rapid social, technological, and economic change, the traditional marketing research industry will either adopt new tools and talent, repositioning itself in a more strategic, consultative space, or it will fall into decline.

The rate of change in marketing research will accelerate as new entrants from the wider emerging marketing research insights industry (management consulting, customer relationship management [CRM], customer experience management [CEM], data mining, DIY desktop tools, predictive analytics, neuromarketing, social media analytics, prediction markets, and cocreative digital consultants) converge with and redefine the traditional marketing research space.

With all this change, it is not surprising that some have even predicted that “the consumer-research industry as we know it today will be on life support by 2012” (Neff, 2008, para. 2).

The situation may not be this dire, but the industry’s transformation over the next decade is likely to be significant. Certainly, marketing research firms will still exist, but whether they exist under the name “marketing research firms” is an open question. More likely, the marketing research industry will transition from long-standing references to a more forward-thinking term such as, “consumer insights,” “business insights,” or “business intelligence industry.”

Instead, the industry is likely to reposition, rebrand, and rename itself. It will shift focus from asking to observing, questioning to discussing, collection to analysis, insight to foresight, rational to emotional, large surveys to data streams, quarterly trackers to 24/7 insights

communities, geographically fixed to mobile, siloed to converged, cognitive self-reporting to precognitive neurosensing, and project-based work to engagement-based consulting. It will find ways to integrate itself across the strategic decision-making process, will help its clients pull insights from disparate data streams, will aggressively leverage foresight tools, will be nimble, and will make speed a core competence by fully leveraging the 24-hour global clock.

This chapter explores four questions about the plausible, plural futures of marketing research:

1. What forces are shaping the futures of marketing research?
2. What might these industry futures look like?
3. How might those in the field adapt to compete in these futures?
4. How might those in the field (or currently outside it) create preferred futures?

To explore these questions, we will use futuring tools from the field of strategic foresight (Hines & Bishop, 2006) to analyze the social, technological, economic, and political forces driving probable marketing research futures. We will review a baseline forecast for the industry's evolution, explore 22 plausible developmental futures, and close with some general strategic observations about how actors at the corporate and individual level might compete for the future (Hamel & Prahalad, 1994).

## FORCES SHAPING THE FUTURE OF MARKETING RESEARCH

There was a time when the marketing research industry was fairly predictable and orderly. There were clearly defined roles, spaces, and processes with professionals either working in the insights function of a corporation or working for a supplier. One typically became a researcher by completing a social science education followed by what amounted to a series of white-collar apprenticeships. There were a standard set of tools. These tools were built on an interrogatory model. And the heart of this asking-based system was the survey instrument, the industry's premier data-collection vehicle and central paradigm.

There was quite a bit of stability and predictability in this system. But nothing lasts forever. Although not entirely gone, this era of classical marketing research is clearly passing. Consider the future of the two primary workhorses of traditional research, the standard 15- to 20-minute survey and the two-hour focus group.

The traditional survey is a beleaguered tool, struggling with low participation rates, respondents speeding through surveys, data quality issues, and projectability concerns. As Donna Goldfarb, vice president of consumer market insights for Unilever Americas, has noted, "I don't know if we are going to have a choice but to move away from survey research" (Goldfarb, as quoted in Neff, 2008, para. 3). Surveys are almost certainly going to become much shorter, more interest based, and triggered by a respondent's physical location.

Now, consider the focus group. Focus groups, with their relatively short time spans and high travel costs are likely to be squeezed by insights communities (also known as

marketing research online communities or MROCs), which act like a large, free-ranging, 24/7 focus group discussion. Although far from doomed, traditional surveys and focus groups are likely to play a diminished role relative to next-generation tools.

## The Industry of the Future

The marketing research toolbox is clearly in transition. A recent Advertising Research Foundation (ARF) member survey segmented research tools into four categories: (1) passing, (2) timeless, (3) transitional (so named because some see them as fads while others see them as the future), and (4) emerging (Wittenbraker, 2010).

**Table E.1** Research Tool Segmentation

Passing Tools	Timeless Tools	Transitional Tools	Emerging Technologies
Telephone surveys	Marketing mix modeling Online surveys Focus groups Ethnography Econometric modeling	Social media Insight communities Text analytics Virtual reality Neurobiometrics	Mobile research Passive data (GPS, RFID) Web-use tracking

One look at the transitional tools and emerging technologies featured in the previous research toolbox chart highlights the significant amount of change on the horizon and the emergence of more passive, observational tools. Practitioners clearly believe mobile research, passive data collection via GPS and radio frequency identification (RFID) and web-use tracking will define the futures. And many in the industry see social media analytics, insights communities, virtual reality environments, and neurobiometrics as either trendy or cutting edge.

Moving beyond research tools, two statistics hint at the significant change about to overtake the traditional marketing research industry. First, 80% of global research spending is currently dedicated to quantitative, survey-based, research (ESOMAR, 2010b). As spending shifts toward observational, cocreative, and anticipatory tools, we can expect significant reallocation of spending within the industry. Second, two-thirds of all traditional marketing research is conducted in the five aging industrial democracies of the United States (30%), the United Kingdom (11%), Germany (9%), France (9%), and Japan (6%) (ESOMAR, 2010b). Eventually, there will be a strong influx of research spending into emerging economies. When combined, the implications of these two data points are staggering. The growth of noninterrogatory tools and emerging markets will reshape the industry.

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## TRADITIONAL MARKETING RESEARCH VERSUS EMERGING MARKETING RESEARCH

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In thinking about the futures of marketing research, it is critical to distinguish between the traditional marketing research industry and the wider emerging marketing research industry.

The traditional \$28.9 billion global marketing research industry (ESOMAR, 2010b) is defined by the corporate insights function; their large suppliers; the core research tools, such as the survey and the focus group; and a skill set focused on project management, questioning, and statistical analysis. Created in the 20th century industrial age, the traditional marketing research industry often displays what Mike Cooke of Gfk has called an “over reliance on an industrialized view of research” (ESOMAR, 2009, p. 51). It is defined by the first evolutionary stage in marketing researching, the asking epoch.

In the beginning of the asking epoch, data were expensive. Large suppliers built the equivalent of a vertically integrated, industrial corporation to collect, process, structure, analyze, report, and consult on data. Many still struggle with this organizational legacy long after the closing of the industrial era.

The organizing framework in this epoch was the survey, especially the quarterly tracking survey, a product on which many of the larger firms still depend. The traditional marketing research industry has many positive qualities, but it and the asking epoch, in which it flourished, have several significant weaknesses. These include a dependence on self-reported behavior; a focus on the present and past; limited ability to engage subjects in a protracted, cocreative dialogue; and a reliance on periodic, as opposed to continuous, reporting. These weaknesses have left the traditional marketing research industry open to significant competition from the wider insights industry.

In contrast, the emerging marketing research industry includes new entrants from management consulting, social media, software, and business intelligence that are increasingly providing insight-driven consulting in competition with traditional marketing research. The wider insights industry was created in the information age. It surrounds traditional marketing research with next-generation technologies and firms defined by observation and listening. Examples of these wider insights industry tools are illustrated in Table E.2 and include social media analysis, neuromarketing research, insights communities (MROCs), predictive markets, and mass simulation gaming.

Can traditional marketing research firms adapt to this new reality by adding next-generation tools and practices from the observational epoch? Maybe. Many traditional research companies are buying neuromarketing firms, experimenting with eye-tracking technology, learning how to build and maintain insight communities, and exploring social media listening platforms. For example, the marketing research giant Kantar owns traditional and social media analytics firm Cymfony, and research agency Maritz recently acquired social media analytics firm evolve24. But, if history is any guide, many of today’s marketing research suppliers, including some of the larger players, will struggle through the transition.

**Table E.2** Traditional Versus Emerging Marketing Research Industry

	<b>Traditional Marketing Research</b>	<b>Wider Insights Industry</b>
Firm Types	Full-service custom suppliers Syndicated research suppliers Niche Sector expertise firms	Management consulting Social media Software CRM Business intelligence Data mining
Founding Time Period	Industrial age	Information age
Example Firms	Ipsos Gfk Synovate Harris Interactive ORC	McKinsey BCG SPSS IBM Communispace Clarabridge Nunwood Comscore HYVE Conversion Autonomy
Methodological Focus	Asking (survey data collection)	Observing
Signature Tools	Custom survey research Tracking surveys Live focus groups	Data mining Text analytics Insight communities Model building
Customer Engagement	Project work Tracking studies	Retainer-based consulting Software as a service
Buyer	CMO Insights Function	C-suite CMO Insights Function