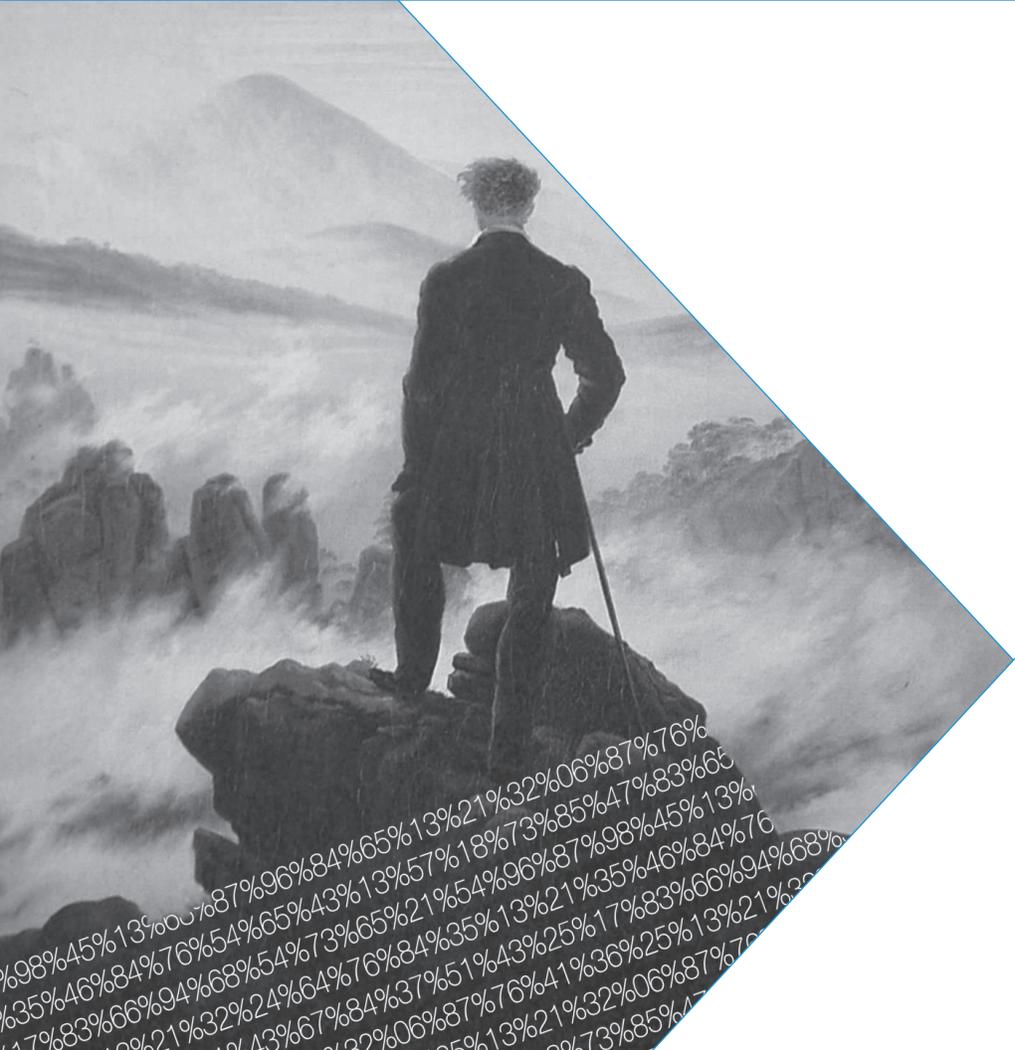




INSIGHT'S FUTURE;
FROM MARKET RESEARCH TO STRATEGIC INSIGHTS



OUTLINE

This analysis is divided into three (3) parts:

1. Industry Challenges

- Societal
- Technological
- Positional
- Perceptual
- Linguistic
- Speed
- Market Structure
- Human Capital
- Global
- Economic

2. Client Demands

- Strategic Recommendations
- Concise Deliverables
- Deeper Insight into the Whole Consumer
- Speed
- An Integrated Understanding of the Consumer “Infoverse”
- Truly Understanding the Role of Emotion in Human Behavior
- Insights Management
- Value

3. The Market Research Firm of the Future

- New Name, Expanded Scope
- Integration Across the Strategic Decision-Making Process
- Foresight
- Insights Management
- Speed, Nimbleness and the Global Clock

EXECUTIVE SUMMARY

By Robert Moran

The market research industry is at a pivotal point in its development. Faced with numerous challenges and threatened with commoditization, it will either reposition itself by moving into a more strategic, consultative space or it will be transcended by strategic foresight or absorbed by management consulting. This transitional period may become a great sorting out, where firms will become consultative and strategic or commoditized and streamlined.

As MRA President Jon Last has noted, market research's, "positive future resides in allowing that data and information that we process to become true insights that guide decisions."¹ If market research suppliers do not fully own the strategic insights space, the void will be filled by their competitors.

Despite this dire forecast there are reasons to be optimistic about the future of the industry. There is a strong and growing interest in data-driven decision making. And, while potentially disruptive, new technologies and platforms are offering researchers exciting new tools.

This time of change is also a time of great opportunity for individuals and firms who candidly assess their situation, clearly plan for the future, and do what needs to be done, however difficult. The market research firm of the future will find ways to integrate itself across the strategic decision making process, will aggressively leverage foresight tools, will help its clients pull insights from disparate data streams, will be nimble, and will fully leverage the 24 hour global clock to increase project turnaround time.

But, it won't be called a "market research firm."

Finally, in an interesting paradox, although the market research industry we know now may not exist in the future, many of the researchers now working within it may become even more valuable as data-driven consultants. This is likely to happen, because any move toward a more consultative model will be accompanied by a repositioning of the researchers themselves as products.

¹ Last, J. (2009, May). Three words to live by, my top 10 for research professionals. MRA's Alert! Magazine, 47(5), 13.

INTRODUCTION

There was a time when the “market research industry” was fairly calm, predictable and orderly.

The industry was called “market research.” Professionals either worked in the market research department of a company or worked for a supplier. But in either case, there were clearly defined roles and spaces. They were the research experts who had mastered an important and complicated method by which the attitudes and likely behavior of consumers, employees and voters could be studied.

People became research experts by following what amounted to (a) a social science education (typically in statistics, sociology, survey design, or vote behavior) followed by (b) what amounted to a long series of white collar apprenticeships. Although some companies used slightly different terms, the roles were clearly known by all involved and each rung was clearly delineated. Professionals moved up the ladder from research assistant to junior project director, to project director, etc.

There were a standard set of tools with focus groups and in-depth interviews on the qualitative side and telephone or mail-based survey research on the quantitative side. The telephone surveys were built on the fact that virtually all research subjects had a landline telephone and answered it. In addition to these now somewhat dated assumptions, telephone surveys were also built on standard, high quality lists or random digit dial (RDD) protocols when used in the public opinion space.

There was quite a bit of stability and predictability in this system. But nothing lasts forever.

While not entirely gone, this era of market research is clearly passing.

It is being replaced by an industry under pressure and in flux. In fact, what most people have traditionally called “the market research industry” is at a series of simultaneous inflection points. Here we’ll take a look at the forces driving these changes, including industry challenges, new client needs, and current industry trends and attempt to mark the contours of the next era in market research.

OVERVIEW

This analysis will focus on the market research industry broadly and full-service, custom research suppliers in particular. It will be divided into three (3) parts:

- Challenges to the Market Research Industry
- Client Demands
- The Market Research Firm of the Future

As even the casual observer of the industry knows, this time of transition is being met with mourning, concern and excitement, often in the same individuals. This is how change works on us.

Although the reaction to this change is NOT generally binary, it is worth reviewing the positive and negative reactions to the changes swirling around the industry.

THE CONCERNED

Some are frustrated and concerned about all the change that has been happening. They think that our technical ability to collect and crunch data has far surpassed our ability to pull insights from this ever growing data tide. They feel that the quickening pace of business decision making is demanding research turnaround times that cannot possibly deliver quality data, insights and strategic recommendations. They are disoriented by the rise of digital social networks and the decline of traditional advertising vehicles which challenges the control and assumptions of the traditionally vertical stimulus-response paradigm with a horizontal word of mouth or peer to peer paradigm. They are worried about the heightened privacy ethos of consumers and lower research participation rates. In tandem with this, they are concerned about the migration of consumers from landlines to mobile phones and the twilight of the traditional RDD phone survey. As much as they might like online research for its speed, lower expense and ease, they are frustrated with quality concerns ranging from panel quality to so called "speeder" or "driver" respondents who race through the survey instrument. And, they are surprised to find new people trying to play in their sandbox (uninvited!). These new entrants are bringing wonderful, but often disruptive, new technologies (remarkably simple web-based survey platforms, hosted online communities, online dial testing, eye tacking, online collaging tools, etc.), new tools (net promoter score), and new skills (management consulting). Add to this the economic anxiety from the 2008 economic meltdown and you have a toxic stew of stress, fear and worry.

THE OPTIMISTIC

On the other hand, some are more excited now than they have ever been about this business. At a macro level these individuals are excited by the trend toward data-driven strategy best explained in Ian Ayres' book "Super Crunchers." They've complained for years about the flaws in emotional or intuitional decision making and are excited by the dawn of a new era in data based decision making. In addition, the technological explosion since the mid 1990's has given many industries, but especially the market research industry, an amazing new array of research options. Powerful new text analytics and hosted online communities are giving us passive "listening posts" that provide unprompted insights. Besides delivering niche audiences that were at one time too expensive to be reached, online research is now delivering wonderful new simulated shelf test options, rapid cover testing for magazines, dial testing for speeches, commercials or debates and doing these things faster and cheaper than the previous alternatives. As one final example, eye tracking hardware is now providing a level of behavioral insight before unimagined. And it's not all just high tech toys that send the pulse pounding. Old methodologies are getting new looks. Ethnographies certainly seem to be making a comeback, as do the kind of lengthy in-depth interviews needed for some of the newest collaging exercises. I call this trend "deep qual." And finally, there are the advances in the field of behavioral economics and biometric research techniques (electroencephalographic measurement of brain waves, fMRI, galvanic skin response, heart rate, facial response, and pupil dilation) which call into question the traditional idea of the purely rational man and detail how emotional mechanisms in the brain bend decision making.

Whether one is deeply concerned, optimistic, or both, it is worth reviewing and categorizing the challenges driving these reactions.

CHALLENGES TO THE MARKET RESEARCH INDUSTRY

Traditional market research is undergoing several existential challenges that will change it dramatically. But these challenges are healthy and may, paradoxically, work to (a) increase the demand for data-driven strategy and (b) elevate the role of market research professionals. In fact, it is not at all clear that what we call today “the market research industry” will exist as a distinct market space or term in 15 years. Instead, market research may be:

- transcended by strategic foresight with an emphasis on potential futures and future behaviors,
- absorbed by management consulting and viewed as part of a data-driven consulting model, or
- dispersed and socialized throughout organizations and society as a skill set critical to building evidence based strategies.

A review of the challenges facing the market research industry suggests that the industry is at an evolutionary inflection point in which external pressures will create an industry qualitatively different from the one that existed only several years ago.

There are many challenges facing the industry, but they can be grouped into ten (10) basic categories and ranked by severity:

- Societal
- Technological
- Positional
- Perceptual
- Linguistic
- Speed
- Market Structure
- Human Capital
- Global
- Economic

Societal

Society is changing rapidly and market research is struggling to adjust to these shifts. Market research's basic societal challenge is the disintegration of the mass market-mass advertising model. The first part of this challenge is dispersion in consumer interests, choices and consumption, the so-called "long tail." The second part of this challenge is the rise of social networks and peer to peer communications and the corresponding decline of authoritative vertical communications. This shift challenges the basic model of top down stimulus-response that marketing and advertising have operated within for many years.

Technological

The market research industry faces five (5) basic technological challenges. These are: (1) the migration of the consumer from landline phones to mobile phones and the corresponding decline of phone-based polling, (2) the corresponding rise of online research and attendant quality concerns (e.g. panel quality, speeders), (3) technology generated consumer freedom to watch what they want when they want it (DVRs and online), access more product information than ever before, and substitute peers for traditional market authorities, (4) the expanding gap between data processing speed and the ability of humans to analyze this data, extract insights and build strategy, and (5) creating processes that enable researchers to pull insights out from new and evolving technologies (e.g. hosted online communities, eye tracking, text analytics).

Positional

Historically, the industry has been tasked with execution of research that delivers data, but has been generally shut out of a wider strategic role. This is a byproduct of market research's limited position in the strategic decision chain. For example, market research is typically tasked with understanding the consumer mindset, testing consumer awareness and interest in a product, testing tactical marketing executions and reporting these back into the decision chain. Unfortunately, market research's role does not span the breadth of the institutional decision chain. Instead, market research plays a limited role somewhere in the middle, after basic assumptions have been established, after key initial decisions have been made, and generally (but not always) before a final strategic direction has been chosen.

Instead of accepting this limited role, market researchers must work to expand their role with their clients and within the companies that employ them. One key to expanding their strategic role is to examine (and test) the unstated initial assumptions at the beginning of the decision chain. All too often the market research professional is brought in to test a series of tactical options based on questionable assumptions. Market researchers are experts in formulating questions to analyze a topic. They focus this skill externally on target audiences. But, in order to gain a stronger footing within the corporate decision chain, they should also leverage their questioning skills internally by creating a process that examines the often unstated assumptions upon which their research is commissioned.

Unfortunately, the industry's positional weakness is exacerbated and reinforced by (a) market research's image as a tactical data provider and (b) its poor linguistic positioning. This leads to the potential for market research to be viewed as a commodity, instead of a high value consultative service. And the risk of commoditization is one of the industry's greatest future challenges.

Perceptual

The market research industry has historically struggled with the perception that it is a process heavy, producer of tactically useful data, not transcendent insights or data-driven strategy. This perception has been a double edged sword. On one hand, the correct perception that market research is complex and process heavy has been helpful in protecting research and data integrity. It has also helped market researchers carve out their institutional niche. On the other hand, it has stifled market research's ability to add higher level data-driven strategy. It has created a comfortable corporate cul de sac for market research, but one too far from the Main Street of corporate decision making.

Linguistic

The term "market research" has been incredibly detrimental to the industry, as it focuses on the process and not the value of the data-driven strategy. The term "market research" has minimized the industry's influence within the corporate decision-making structure by reinforcing the notion that market research is all process and data and that market researchers manage the process and data delivery, but not insights or strategy that flows from this process.

In itself the term "market research" as a name and concept was always too limiting for industry professionals and should have been ditched long ago. In fact, the term "market research" has been incredibly harmful to those working in the field, because the term "market research" focuses on the physical act of research, but not on the value that flows from this work. This puts the industry and its professionals into a commoditized data collection box in which their primary value is the collecting of data, not insight and certainly not strategy.

In a sense, "insights" is a much better term, because it concentrates the mind on the value derived from the data. But, "insights" as a term is still sub-optimal in that (a) it completely omits what will be done with these insights and (b) the strategy that will flow from them. These two standard terms for the industry put a ceiling on its value by omitting any reference to higher level strategy. If the term "market research" is replaced with something else in the future, the change will be a welcome one.

But what should the industry be called? Although the industry or key players in it should strongly consider hiring a branding agency to assist in renaming and repositioning, the following is a quick look at some of the more interesting alternatives.

INDUSTRY DESCRIPTOR	DRAWBACKS	BENEFITS
Market Research	Focuses on physical act of data collection instead of higher value derived from this activity. Does not stress strategic consultative role.	A traditional term that is somewhat descriptive.
Insight(s)	Omits what will be done with insights and is silent on strategic consultative role. Does not stress forward- looking or predictive usage.	Focuses on the basic value that can be extracted from data collection and analysis as opposed to simply stressing data collection.
Fact-Based Consulting	Does not speak to strategy derived from insight. Does not stress forward- looking or predictive usage, but is very focused on the current.	Appeals to the common sense notion that decisions should be made on facts. Highlights the consultative role, as opposed to a data providing function.
Data-Driven Consulting	Does not speak to strategy derived from insight. Does not stress forward-looking or predictive usage, but is very focused on the current.	Is more precise than “fact-based consulting” and suggests more action.
Strategic Insight	Does not stress forward- looking or predictive usage.	Modifies traditional insight(s) term with a focus on the higher, strategic value.
Strategic Foresight	Will need supporting language in order to clearly connect the term to industry activities.	Focuses on the higher, strategic value and the forward-looking nature of the deliverables.

Based on this analysis, “strategic insight” or “strategic foresight” may be advisable. The first focuses on the higher level strategic value that the industry delivers. The second focuses on the strategic predictive value that is delivered.

Speed

The global, 24-7 nature of world society and the technology that enables rapid, mobile communications has produced a business culture in which corporations can and must make decisions more quickly than ever before. As a supplier of strategic insights that must be incorporated into this ever quickening decision making loop, market research is being pressed to collect data, identify insights and make strategic recommendations at a pace that challenges traditional timelines and threatens data quality.

This challenge is exacerbated by market research's general perception as a data vendor and not as a strategic partner. When it is seen as a strategic partner, market research has the gravitas to demand deeper thinking and greater time to the study of a problem or opportunity.

Market Structure

The increased need for data-driven strategy and the proliferation of innovative, technology-driven research platforms will attract a number of new entrants into the traditional market research space. These new entrants are (a) management consulting firms that need more market data to support their strategic consulting practices, and (b) new research platforms based on new technologies like hosted online communities, passive listening reliant on text analytics, online dial testing, eye tracking, etc.

Human Capital

Market research professionals are incredibly bright, intellectually agile, and innately curious. Unfortunately, most are introverted and could be stronger at spreading their data-driven insights and strategic recommendations. Moreover, many are content to conduct quality research and deliver data based insights without a strong strategic role. This human capital and personality mismatch has only reinforced the industry's perceptual, positional and economic challenges.

Global

As products and ideas flow more freely across the world at a rapid pace, the need for global research capabilities that deliver quality, multi-country data and insights that ladder up to a global strategy is critical. As a technical matter this no longer requires large global firms, but it does require globally savvy researchers.

Economic

The industry has both short term and structural economic challenges. The short term economic challenge is the economic slump of 2008. But the long term economic challenge is driven by several forces, including (a) commoditization threats driven by the perception that the industry provides data and not insights or strategy and (b) new market entrants from a variety of corners.

Interrelated Challenges

Many of these challenges are interrelated and mutually reinforcing. For example, the societal and technological challenges provide entry points for new market players. The industry’s positional, perceptual and linguistic challenges provide an opening for management consulting firms to enter this space.

Analyzing management consulting as a new market entrant is alone very interesting and one way to see many of these challenges at work. Management consulting’s strengths are its gravitas, the ability to tell a story with the data it can find, and the ability to lead a client through a process that results in a strategy. What management consulting generally lacks is consumer or employee data to build or support its strategy. Market research’s strength is the rigorous collection of high quality data, a process of analysis that extracts insights from this data, and the application of the insights to higher level strategy. What market research has historically lacked is a solid seat at the table within the elite corporate decision making ecosystem. As a product of this, it has also historically suffered from the perception that it is a data collection arm and not a strategic partner.

	MANAGEMENT CONSULTING	MARKET RESEARCH
Strengths	1. Gravitas 2. Storytelling (Cohesive Narrative) 3. Strategic Process	1. Rigorous data collection 2. Insights 3. Data-Driven strategy
Weaknesses	1. Data to support its process 2. Deep understanding of end consumer	1. General exclusion from entire spectrum of the strategic decision making chain 2. Storytelling

When analyzing these two industry’s strengths and weaknesses, it becomes clear that they can either be the best of friends or the worst of enemies. In fact, one of four eventual outcomes is possible:

- 1. They merge
- 2. They acquire
 - a. Management consulting acquires market research firms
 - b. Market research acquires management consulting firms

3. They build internal expertise
 - a. Management consulting builds market research practices by hiring away market research talent
 - b. Market research builds management consulting practices by hiring away management consulting talent
4. They call a truce (unlikely)

The most likely scenario appears to be crosspollination that eventually leads to merger or acquisition. Who swallows when is the critical question. Each side will be attempting to shore up a weakness, but it seems that market research's position is weaker and that it must aggressively move up the value chain or be swallowed up by management consulting.

CLIENT DEMANDS

In addition to the current challenges facing the industry, there are at least eight (8) broad client demands. Some of these are longstanding demands (strategic recommendations, concise deliverables, greater insight and speed) and some are relatively new.

They are:

- Strategic Recommendations
- Concise Deliverables
- Deeper Insight into the Whole Consumer
- Speed
- An Integrated Understanding of the “Infoverse”
- Truly Understanding the Role of Emotion in Human Behavior
- Insight Management
- Value

Strategic Recommendations

A long-held criticism of the market research industry is that it does not provide the kind of actionable intelligence expected of it. Market research consumers generally report that they are hungry for the kind of strategic recommendations that ladder up from uncovered insights.

This is, in part, related to the space market research inhabits in many organizations.

Unfortunately, as a function that currently operates within a distinct space in the organization, but is not typically distributed throughout it, market research can become disconnected from the management conversation, making it more difficult to tie insights to current thinking.

Concise Deliverables

Brevity is the soul of wit and in a time compressed corporate culture it is essential. It is an unfortunate fact of the modern work world that there simply is very little time for a “deep dive” into anything. Executives juggle multiple demands, are over-scheduled, constantly checking and sending email and starved for time. While it may be true that executives should devote more time to reviewing data about their customers and stakeholders, it is unrealistic.

In this regard, market research has done itself a disservice with the “data dump.” Unfortunately, it is simply easier to dump dozens of explanatory charts and graphs on a client than to distill the findings down to one readable page. The industry needs to do a much better job of distilling findings into sound bites that can be socialized throughout the organization. This is difficult for researchers who have an appreciation for complexity and are concerned about “dumbing things down”, but compressed time and focus is a condition that is here to stay and market research needs to adjust with concise deliverables.

Deeper Insight into the Whole Consumer

While it is true that we have more data on consumers than ever before, we are still starved for a holistic understanding of the whole consumer. The only way to truly develop this full understanding of the consumer is via ethnography, and this is why ethnographic tools are coming quickly back into vogue within the market research industry. Moreover, in a world where consumers are less and less likely to respond to a basic survey, ethnographic data may be an important part of the industry’s transition. Interestingly, the trends toward ethnography and hosted online communities may squeeze traditional focus groups from both sides, reducing future growth of this qualitative workhorse.

Speed

Given the compressed decision-making cycle in corporations, there is certainly a need for faster data collection, analysis and reporting of insights. Of course, “fast” and “deep thinking” are difficult to combine. And, there are limitations on how quickly good research can be conducted. But, there is strong client demand for speedier delivery of research-based insights and firms that can work quickly, using a 24 hour “global clock” will be at a significant long term advantage.

This threatens the large traditional suppliers who do not appear to be built for speed. For them it will be imperative to argue for a deliberative process that tests assumptions as well as hypothesis. But, when it comes to speed, these large suppliers will be at a disadvantage relative to smaller, nimbler firms.

An Integrated Understanding of the Consumer “Infoverse”

Consumers are receiving information from a wider variety of sources and at a quicker pace than ever before. And traditional, “top down”, vertical methods of communication (traditional media, mass advertising) are giving way to horizontal, peer to peer communications. Clients, with a newfound focus on the power of digital social networks, are keenly interested in a better understanding of how consumers access the “infoverse” – the entire array of communications channels, sources and content that consumers choose and are exposed to daily.

This also translates into a need for a much better understanding of traditional “word of mouth”, as well as digital social networks. There is a greater need than ever to understand the mechanics of how information and ideas are transferred from person to person and why some ideas, behaviors, and rituals are “stickier” than others. This will eventually result in a strong focus on (a) media and conversation analytics, (b) memetics and (c) consumer segmentation by size of personal networks and propensity to share information promoting a new idea, product or behavior. And it will necessitate rigorous measurement tools that do not fully exist today.

Truly Understanding the Role of Emotion in Human Behavior

Quantitative research has inadvertently had the effect of analyzing consumer assessments of a product, service or idea as though consumers’ decisions were a carefully calibrated series of calculations. This tendency toward a “rational man” model is being critiqued daily by behavioral economics. Couple this trend with our new ability to passively measure emotional response, and the industry’s ability to measure emotion may soon match the intense interest in understanding emotion’s role in decision making.

Insights Management

With the geometric expansion of consumer data, the need for management of this data has become intense. At a very granular level the simple fact is that corporations that choose to be data-driven have more consumer data streams (attitudinal, conversational and behavioral) than ever before. Making sense of these data streams and interpreting new data within the context of past research is incredibly important. There is a significant need for “insight management and archiving” and this market niche may prove to be highly lucrative to the firm that produces the most usable system and interface. While this need will be filled by software, it will ultimately require the spark of human cognition in order to pull macro level insights from numerous data streams. Without “insight management and archiving” institutions will waste precious resources and time relearning that which has already been discovered.

Value

Finally, the client demand for value is stronger than ever. To the extent to which the market research industry becomes commoditized, this is a significant challenge. If the value is in rigorous data collection, the industry has been commoditized and pricing will drop to the lower perceived value. If the value is in actionable strategic insights, the industry will benefit from a stronger value equation and better pricing. Moreover, if market research is able to reinforce the need for data-driven strategic consulting, the perceived value of the product (data-driven strategy vs. data collection) will increase and the industry will be on much firmer footing. In this regard market research firms need to closely and candidly analyze their product, what they are actually selling, and act accordingly. Those who look in the mirror and see a commodity business need to either move up the value chain or become hyper-efficient data providers.

THE MARKET RESEARCH FIRM OF THE FUTURE

With these challenges and demands in mind, there are at least five (5) implications for the market research firm of the future.

These are:

- New Name, Expanded Scope
- Integration Across the Strategic Decision Making Process
- Foresight
- Insights Management
- Speed, Nimbleness and the Global Clock

New Name, Expanded Scope

The market research firm of the future will not be called a market research firm. It will position itself as what Klaus Wubbenhorst, CEO of GfK, calls a “fact-based” consultancy, or it will be a Strategic Insights firm, or possibly a hybrid of management consulting and traditional market research. Whatever this new type of company is called, it will sell the insights and strategy instead of the data or the process by which the data is collected. Firms that choose to remain positioned in the latter category will become commoditized and marginalized.

In addition, the market research firm of the future will focus strongly on offerings that get it into and keep it inside the C-suite. This means that it tailors its offerings to ensure that it is involved across the spectrum of corporate decision-making. Specifically, the firm of the future will have practices that map to most corporate functions:

C-Suite	Offering
Chief Executive Officer	-Corporate Communications Research (specifically speech and message testing)
Chief Marketing Officer	-Traditional Market Research Offerings
General Counsel	-Issues Management Research -Crisis Management Research -Jury Consulting Research
Director of Human Relations	-Employee Engagement Research
Director of Government Relations	-Public Affairs Research
Director of Investor Relations	-Investor Research (specifically annual report testing)

In addition, the market research firm of the future will define its consultants themselves as products. The move away from delivery of commoditized data will eventually come to stress the consultant, their experience and combination of tools.

Finally, these changes will eventually result in a shift from pricing based on research projects, which can again lead to easy commoditization, to pricing based on strategic counsel plus research project fees.

Integration Across the Strategic Decision Making Process

The market research firm of the future will find ways to incorporate itself into the wider decision making process, moving it out of the limited touch points it has now. This can be achieved in a number of ways:

- Repositioning itself as a strategic insights or fact-based consulting firm
- Putting much greater emphasis on the strategic application of insights
- Expanding and targeting its offerings to the C-Suite
- Creating and marketing interactive dashboard or scorecard systems that tie data together across function
- Creating a decision analytics practice that walks clients through a deliberate and data-driven strategic decision making process

Foresight

Market research, and especially survey research, is often described as a “snapshot in time” and either present-focused or backward looking. But, what is its predictive value? This is hotly debated.

The next evolution in market research may be in the area of futures research or foresight in which futures markets and Delphi panels play a leading role. In addition, a greater appreciation for the impact of so-called “wild card events” (low probability, high impact events) on attitudes and behavior, may push forward thinking organizations to create a futures/scenario planning function in order to move swiftly in an inflection point.

Insights Management

Corporations are swimming in unused, unarchived, disconnected data. This data is potentially very valuable. The market research firm of the future will offer both a practice and a product that archives, analyzes and synthesizes this data. Synovate’s CEO Adrian Chedore has noted in *Research World* that, “re-analysing, compiling and making sense of all that is a major undertaking, and it’s not something we would do for free, but it is an existing asset that is generally under-utilised so we are encouraging clients to let us help them with the organization of existing data in order to drive value out of it.”² In addition to being sticky to the client, an Insights Management practice could provide market research suppliers another stable revenue stream.

Speed, Nimbleness and the Global Clock

With speed an increasing client demand, the market research firm of the future will need to leverage the “global clock” in order to complete projects faster. The optimal strategy in this regard is to position not just data collection and processing resources across the globe, but to position analytic and consulting assets across the globe as well so that each phase of the research process can be shortened by advantageous global positioning. Some of this is already under way, but globally distributed analytical teams, not just data collection and processing, will be the true breakthrough.

There is of course the issue of size and nimbleness. On one hand, large global research firms are the most favorably positioned to leverage the global clock and increase the speed of their deliverables. On the other hand, these large firms seem to be extremely slow relative to smaller and mid-size firms, especially in the issues, crisis, public affairs and political markets. Here it seems that the firms with the best opportunities to leverage speed are the least capable of doing so.

² Murphy, D. (2009, January). Finding new opportunities in a difficult climate. *Research World*, 5, 44.

CONCLUSION

Given the existing industry challenges and client demands, the market research firm of the future is likely to look very different from what we see today. In thinking about the industry's future, there are at least three big questions that will need to be answered.

The first question is whether the current market incumbents will adapt to the future or whether new market entrants, such as technological innovators or management consulting firms, will get there first.

The next question is one of size and scale. Historically, the large industry players have purchased their futures by buying upstart niche players or new innovative technology platforms. In essence, the Goliaths of the industry have a history of buying out the Davids. But, can the industry Goliaths endure, or will they be overwhelmed by a throng of smaller competitors? In the current marketplace the large players rely on their size, well-known brands, and contractually predetermined multinational tracking studies to power forward. But, they are less innovative and agile than their smaller competitors, and their reliance on large, multinational tracking studies, as opposed to ad hoc custom work, is paradoxically their greatest strength and greatest weakness. On one hand, these large tracking studies are dependable revenue and sticky to the client. On the other, they can easily become commoditized as they run the risk of emphasizing data collection over strategic insight. Will the industry Goliaths stay on top or will they be overwhelmed by innovative new market entrants?

The final question is how successful industry players will be in repositioning themselves as fact based consultants or data-driven strategists. Can they successfully reposition themselves? Can they make the staffing, deliverables and pricing changes needed to move the locus of their image from data collection to insights to strategy?

Taking a broader perspective on the industry still provides reason for optimism. The trend toward data-driven decision making is a real one and the market research industry, or whatever we call it in the future, will be strengthened by this trend.

Society is becoming more complicated and consumer views, experiences and tastes are becoming more diverse. There will be a strong demand for using data to understand 21st century society and the people within it. In this regard the future is still very bright, but it is a harsh master that dispenses its rewards only to those who keep their eyes firmly fixed on the horizon.

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