CHALLENGES IN THE MARKET RESEARCH INDUSTRY

We continue to explore how the research industry views both Challenges and Opportunities, and so we employed numerous open-ended questions on the topic. To further develop and advance our knowledge, we used a combination of automated probing during the survey as well as text analytics during analysis to delve deeper into respondent answers.

The 3 biggest challenges researchers feel are facing the industry include:

- **Impactful reporting:** The ability to provide or receive consultative reports, to tell a cohesive story, and account for all the pieces of the puzzle in the client's world,
- **Technology:** Its introduction, use, and reliability to answer business questions in more efficient or creative ways, and
- **Data Management:** How businesses gather, handle and integrate the vast amounts of data– from both primary and alternative research resources to make sense of all the data points.

Client-side researchers place the most emphasis **(40%)** on getting **actionable reports** that relate directly to their business needs, followed closely by the **management of data (37%)** – specifically the marrying of Big Data and all of the information about their consumers into relevant business processes and systems.

Being able to successfully develop behavior models or provide a forecast for the business based on the data that is available (and cheaply procured) will prove to be the most fruitful for this group. Until then, they are relying on their suppliers to provide better forecasting and recommendations that speak clearly to them and their stakeholders. When done effectively, these researchers feel the research is;

"Connecting the dots – bringing together all of the insights we have to have clear, thorough, and actionable insights, which are brought to the stakeholders in a way that is easy for them to understand both the insight and what action should be taken by us."

Conversely, suppliers are placing the greatest focus on **technology (45%)**, not only as a means for embracing newer trends and to enhance differentiation, but also as a way to deal with the ever-shrinking timelines and budgets that impact the quality and delivery of their research.

They understand that there are great benefits when technology is used well, but there are also costs associated with its proliferation.

"The rapid change in technology. Everyone wants to be doing the new stuff yesterday and much of the new stuff becomes obsolete very quickly. Mobile devices have created both exciting positives and nasty negatives for the industry. The way we deliver findings to clients is becoming challenging too. Taking on or considering new software. Changing some of our processes."

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Suppliers are placing the greatest focus on technology (45%)

TOP 10 THEMES IN RESPONSE TO THE QUESTION, "WHAT DO YOU FEEL IS THE BIGGEST CHALLENGE FACING MARKET RESEARCH IN 2015?"

There was an immense amount of richness in these responses, so although in the preceding section we delivered a comprehensive summary of the overall responses, we also thought it would be instructive to dive deeper using advanced text analytics to explore some of these themes more fully.

Methodology

56% of respondents mentioned the methodologies of market research as one of the biggest challenges they face.

Using social media for data collection and analysis

- Data is clunky, messy, and full of garbage
- The "now what" factor: What are you supposed to do with social media insights?
- There is no way to quantify the qualitative insights
- No one in the organization is trained to do the interpretation of the data (i.e., there are tools that quantify SM data, but there aren't enough researchers who are skilled at teasing out the useful information and making decisions based on that information)
- Researchers generally get push-back from organizations that are resistant to change and skeptical of social media

Response rates:

- Generally low response rates, waning participation
- Difficulty getting respondents to be cognitively engaged: There is a sense that consumers have lots to say about products and services, but they are so bored by surveys that they won't participate
- Lack of representativeness: we're only sampling the kinds of people who are likely to be interested in taking surveys, participating in panels, etc.
- Consumers are bombarded with too many surveys; don't take any of them seriously

Too many competing techniques

- Researchers are often juggling various tools that their company is testing out
- Don't receive enough training to become proficient at any of these tools
- These tools often provide vastly different results on the same data set, rendering interpretation challenging and actionable insights difficult to find

Privacy and security issues

- Getting data is difficult because of government regulations about privacy
- Modern consumers are becoming increasingly more private and more suspicious of research organizations asking them questions about their thoughts/feelings/behaviors. This causes them to opt out of surveys, panels, interviews, etc.

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Consumers are becoming increasingly more private and more suspicious of research organizations

Big companies have trained customers to expect insights quickly

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Clientele

29% of respondents mentioned that one of their biggest challenges is dealing with their customers and clients. This topic often co-occurred with other topics in this report, meaning that when respondents talked about clientele, they were often likely to talk about one or more of the other topics in this document.

Customers expect insights far too quickly

- Big companies have trained customers to expect insights quickly. Researchers who are interested in precision over speed cannot compete

Customers have dwindling budgets for Market Research

- This leads customers to prefer low-cost, low-quality insights that don't benefit them
- Customers feel that they can save money by interpreting the data themselves

"Insight schizophrenia"

- Customers have constantly changing needs and are always chasing the next shiny object
- They are seduced by high-tech solutions that are expensive and not scalable
- Clients want market researchers to find ways to replicate the expensive, high-tech solutions in a low-cost, scalable way
- Customers cannot articulate what they want/ need, and when they finally do articulate their wants and needs, those wants and needs change quickly. Market research feels like a constant game of catch-up with a non-focused customer

Customers need to be re-educated but are resistant

- Need to learn that expensive, accurate data is indeed more valuable than inexpensive, shoddy data
- Due to the conflation of (1) low budgets and (2) customers' perception that they are skilled enough to interpret their own insights, customers are resistant to re-educating themselves

Outcomes

25% of respondents mentioned that poor market research outcomes are the biggest challenge in 2015. The top themes in this category were:

Lack of actionable insights

- Insights are sparse, disparate, and difficult to interpret (e.g., *"the ability to turn research into valuable and actionable insights. Much of research is not used because it is difficult to make actual decisions based on the outcome of the research"*)
- There is the perception that suppliers and customers are often at odds when it comes to interpreting the data. Market researchers perceive that they are seeking the "truth," while their customers are seeking confirmation of what they want to believe about their company, brand, product, etc. Making good decisions based on the data is challenging if there is utter disagreement

Lack of timeliness

- Businesses are moving too fast and need their insights immediately. Data scientists and market researchers cannot keep up with the demand
- Even tools that promise to speed the data collection and interpretation process cannot meet the high-paced standards of businesses today

Lack of honest/integrity by data insights providers

- Businesses feel that many market research data providers promise great insights but usually fail to deliver (e.g., *"Most companies talk a good game, but are not able to execute on the analysis of big and small data."*)

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Big data has become a buzzword and every client wants market researchers to do something with it

Technologies

22% of respondents mentioned that their biggest challenge is the new technologies used in market research. The biggest issues relevant to technologies were:

Big data

- Big data has become a buzzword and every client wants market researchers to do something with it. However, many market researchers are beginning to perceive that no one really knows how to best handle big data
- Big question: Does big data actually gather a better, more comprehensive picture of who the consumer is? Or is it just one more data point that causes confusion?

Mobile technologies

- Computer-delivered surveys and data collection methodologies are on the way out. They are clunky and static.
- Tomorrow's research design involves mobile, dynamic methods for data collection that gather real-time, in-situ information

Social Media – See Section 1a

Differentiation

21% of respondents mentioned that the biggest challenge they face is trying to differentiate themselves from a sea of competitors.

Demonstrating unique value

- So much information is available that it's difficult for a market researcher to show that there is unique value and novel contribution in his/her approach to MR
- Customers are inundated with so much information that it is difficult to tease out the signal from the noise

Staying relevant in changing times

- There is always the new up-and-comer that is sexier than you
- You must become a jack of all trades and a master of none

Avoiding commoditization

- Market researchers are concerned about becoming "just another seat at the table"
- Market researchers perceive that market research is somehow simultaneously sexy and yawn-worthy: New technologies and exploratory methodologies make the field exciting and new, but because supply is so high, market research is viewed as a commodity and therefore is less interesting
- In light of that, how to keep your sex appeal?

Quality

14% of respondents mentioned the quality of data, quality of respondents, and quality of insights as their biggest challenge to market research:

Samples are not representative

- Researchers mentioned that they often use suppliers to bring representative samples to them, but feel that these suppliers do not follow through
- There is confusion around how to get a truly representative sample that contains a cross-section of all demographic segments

Respondents are dishonest or unthoughtful

- Data quality is poor because respondents are bored and disengaged
- Respondents are over-inundated with surveys
- Leads to incomplete, careless, and dubious responses

Statistical assurances are not provided:

Probability sampling is not used and the margin of error is not reported which interferes with interpretability

Can't afford the good data:

Researchers perceive that high quality data is out there, but their organization cannot (and will not) allocate budget toward gaining that data. Shoddy data at a cheaper price is of higher value than expensive but excellent data

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Internal Talent

8% of respondents said that internal talent is one of the biggest issues or challenges to market research in 2015:

Lack of experience and expertise

- Young market researchers haven't been trained in the kind of rigor that more experienced researchers have
- A general lack of academic training in statistics, research methods, etc.
- This is the generation of SurveyMonkey; young researchers seem to think that SurveyMonkey is the only way to collect data and disrespect methodologies like interviews, panels, etc.
- Why are there no experts? (e.g., *"It seems so obvious to anyone that a heart surgery requires expertise. If the market research industry cannot convince the market that there is a similar obvious need for expertise then there are a lot of good reasons why this industry should shrink in the future."*)

Lack of critical thinking

- New market researchers are perceived as being unwilling to think deeper about their findings
- It's the day of the "obvious findings": If an insight doesn't jump right off the page – but, rather, requires some mental acuity and creative or critical thinking, new researchers will say that the data is bad or useless

A transition from quality to quantity

- Time-honored, rigorous techniques are losing respect
- What is valued now is the ability to gather data/insights quickly and at high volumes, regardless of accuracy
- E.g., *"I think this is the year when veteran researchers become the minority and disciplined research becomes rarer. Experienced research professionals who understand multiple modes of data collection and sample frames will be supplanted by newer researchers who can gather a lot of data quickly but may not have enough rigor in their background to know what bias they include"*

Customers don't value MR expertise and insights

- Researchers feel that they cannot convince their customers that there is value in expert MR insights
- Clients feel that they are proficient at interpreting their own data and prefer to save money this way

Old and New Methods

6% of respondents mentioned the challenge of old methodologies in market research. It was discovered that there is a dichotomy of thought in the marketplace about "old methods". Some believe that old methods are tried and true, and therefore are to be trusted, while others believe that it's time to put aside the old methods and try more innovative techniques.

It's not "Old vs. New", it's "Traditional vs. Innovative"

- Some market researchers reported that there is a tension even within their own organizations about old versus new approaches.
  They reported that the research veterans seem to perceive that the new, younger generation of market researchers are trying to eliminate methods that are useful just because they are "so two years ago!"
- The younger crowd of market researchers feels that older researchers intentionally put barriers to innovation in place because they don't want to learn new methodologies, try new approaches, or learn from youngsters who lack the experience that veterans have

Traditional methodologies don't meet client's needs

- Panels, interviews, transcribing and coding responses, etc. take too long and are no longer effective. By the time all the work is done, the marketplace has shifted and the findings are irrelevant
- Must rely heavily on aggregated quantitative data and almost completely suppress the rich qualitative data. Under the old approach, qualitative data is not used to its full potential

Clients feel that they are proficient at interpreting their own data and prefer to save money this way

There is a dichotomy of thought in the marketplace about "old methods"

Many respondents admitted that the way forward is a blend of old and new

Innovative methodologies are confusing and unfocused

- No one knows how to properly use the new technologies and methodologies of today in order to achieve their full potential
- There are too many new methods that all paint a different picture of the same data
- No one is an "expert" of any of these methodologies

The real answer is that both are needed

- Although many respondents sided with either the traditional side or the innovative side, many more respondents admitted that the way forward is a blend of old and new
- Capitalize on the rigor of traditional methods AND the expediency, innovation, and sex appeal of new methods

Big Companies

4% of respondents mentioned issues related to big companies, with the largest proportion of these conversations about *competing with* big companies:

More funding

- Bigger companies have more funding and can afford expensive, high quality respondents and data analysis
- Smaller companies can't compete

Looser standards

- Big companies are perceived to have lower standards for data quality and prefer speed over accuracy. They have created an industry standard for quick turn-around deliverables. Smaller companies that focus on accuracy cannot compete because – although their insights might be better –it takes longer to do the analysis and customers aren't interested in waiting when a bigger company could do it faster
- No one is regulating the conclusions at which customers arrive. Customers see what they want to see, but what they see might not be accurate

Communication

3% of respondents mentioned that communication with real consumers is the biggest challenge to market research in 2015:

What to do with consumer insights

- Consumers seem to want to share their opinions and to be engaged with on a personalized, individualized level. However, market researchers feel that they are uncertain of the best ways to prompt consumers' opinions
- How to prompt in real time?
- How to prompt in a way that will elicit natural, authentic, and unbiased responses?

Lack of engagement from consumers/respondents

- This was a central theme throughout the GRIT report. Market researchers perceive that respondents *would* provide really interesting insights if they weren't so bored during data collection
- Market researchers are hungry for methodologies that interest, intrigue, and engage consumers so that they will be enthusiastic about responding to market research endeavors