



## The Future of Market Research

Listening for the Unexpected or Passive Measurement, Data Integration and Modelling?

Phyllis Macfarlane, 9<sup>th</sup> June 2011



**In 20 years' time will people be asking ...**

***"Whatever happened to the Market Research Industry?"***

... I'm afraid it's a distinct possibility ...



## For 60+ years we've enjoyed excellent growth ...

- We've been entrepreneurial, opportunistic, flexible and resilient
- We've invented ways of measuring consumer behaviour, and of analysing very complex data sets
- We've taken on board new ways of collecting data, new fields like CSat and Mystery Shopping
- But everything is essentially based on the premise of the logical consumer and the concept of the representative 'survey'



## Let's face it ... many Market Research techniques were defined for a previous age ...

- Before the internet ...
- When the media landscape was relatively simple ...
- When respondents had more time on their hands ...
- When social class determined our habits and opinions ...
- When we thought humans were rational beings!



**Many Market Research techniques were defined for a previous age ... they were OK for their time**

- But let's not now pretend that they are perfect
- Or even appropriate, for today's world, and continue to defend them
- If Market Research were invented now – we'd make a very different set of compromises

## For example ... in Brand and Comms work ...

- We know perfectly well that humans are poor reporters of their own behaviour
  - Let alone their motivations!
- We have built whole parts of our industry around respondent recall of advertising
  - And getting people to describe their feelings on 10 point scales
  - When we know that data from scales is always inter-correlated
- We'd rather argue about whether a 10 point scale is better than a 7 point scale
  - Than whether the data means anything!
- 'Ad recall' was an OK compromise at the time
  - But now we can passively measure ad exposure

## For example ... in Media 'Currency' measurement ...

- We know perfectly well that a diary is not an accurate way of measuring radio listening
- And that families no longer watch TV as a household
- But we haven't adopted new passive measurement techniques
  - Though they've been around for quite a while



**Up to now** we've had it easy ...

... Now clients really **are** looking for us to 'up' our game....

... 'Survey' data is not enough



# OUR ROLE...

Provide provocation and  
inspiration that drive  
transformation and actions  
that generate growth

## **IT IS NOT ABOUT: IT IS ABOUT:**

**Following the change  
as quickly as possible**

**Helping companies  
to shape the change**

**Providing insights**

**Provoking transformation**

**Quantifying  
the expected**

**Listening for the unexpected**

**Leveraging  
“what we know”**

**Seeking “what we don’t  
know” & “how to know what  
we don’t know”**

**Focus on technical  
challenges & better  
mousetraps!**

**Focus on ROI, better  
execution & value creation**



**On the other hand** there are also clients who say ...

*"I don't want art, I want facts"*

... can the MR Industry develop to meet all these requirements?



## **Up to now it's been easy .....**

... we've never before had to face up to real 'disruptive' change

... only quite minor changes in data collection methods



## **But now we really do have to face changes that could 'kill' the Industry as we know it**

- The new understanding of how Consumers' brains work
  - We were, quite simply, wrong before
- Respondent availability
  - We can't do representative samples, any more
- More and more 'customer data' is available from different sources
  - There's no need for 'surveys'
- We can't deliver what clients really want
  - Consumers' lives are just too complex
  - We can't collect or interpret the data like we used to

# It's quite possible that in 20 years time Market Research will seem quaint and old-fashioned

- Like horse-drawn carriages or oil-lamps
  - Completely overtaken by new technology
- Or like direct mail
  - A niche market
- Or like family meals
  - Nice for a special occasion
- Or like family TV viewing
  - OK when there was no alternative



## Or can **Market Research** re-invent itself?

... and become the heart of the insight and information industry?

# We could argue that the Market Research Industry has it's head in the sand .....

- We're still doing things the way we've always done them
  - Even though they were invented in a different age
- We get 'panicked' about new things like Social Media, Web-mining
  - Instead of working out what to do with them, how they fit
- We promote the 'sexy' bits of the industry
  - Not the reliable, solid work that is done
  - Been to a MR Conference recently?
- We're not doing enough learning about new methods and techniques







**It's possible that things** could go horribly wrong ...

... I've always been an optimist ... but ...

## The two things that really worry me are ...

1. The new understanding of how we think
  - Which show that the Industry has been wrong about a lot of things, historically
2. The way we are clinging onto old ways of doing things
  - When there now are better ways available

**... instead of moving on and developing**



## Market Research Dilemma No 1 .....

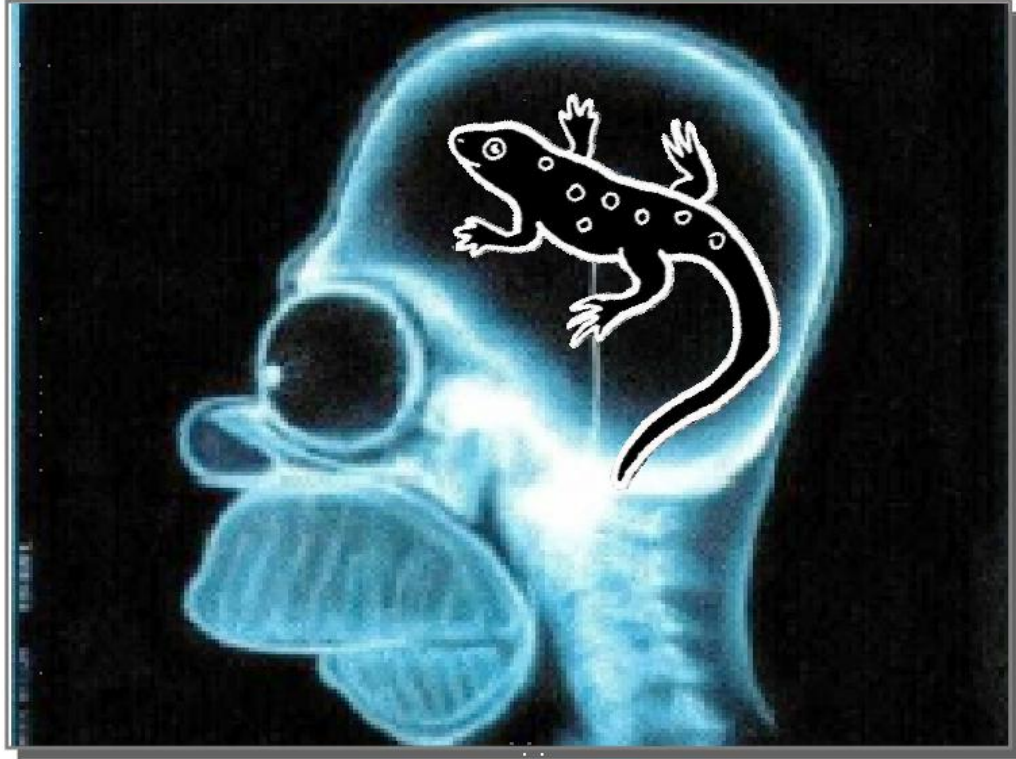
The way we think is different from what we thought ...

# Market Research Dilemma No 1: The way we think

- When Market Research techniques were developed it was thought that human-beings were rational creatures
  - Who made logical, reasoned decisions
- Now we know that this just isn't true ....

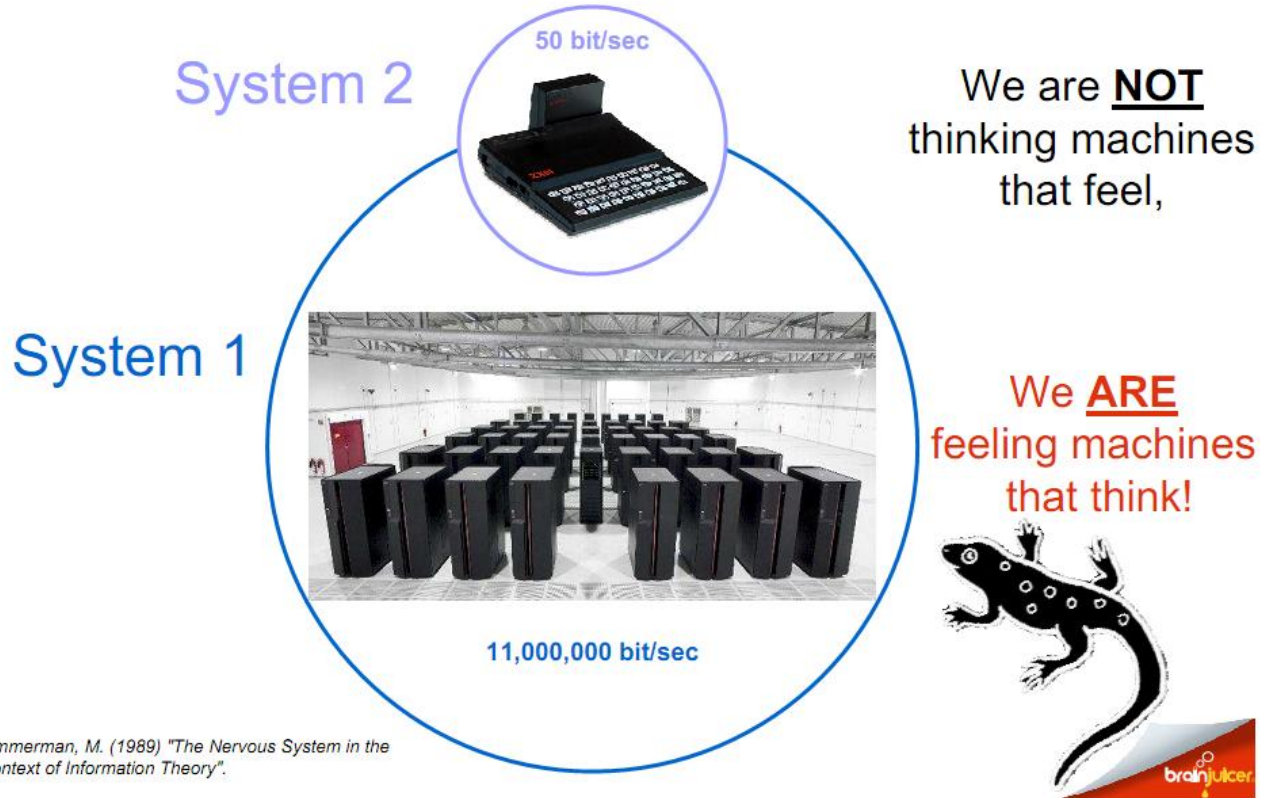
## Introducing System 1 vs. System 2 Thinking...

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## Implicit has greater processing power (and is less effortful)

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The way we think

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ffdddddggg



The way we think

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ffdddddggg





## The way we think

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green



## The way we think

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blue



## The way we think

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red



## Intuitive Judgement

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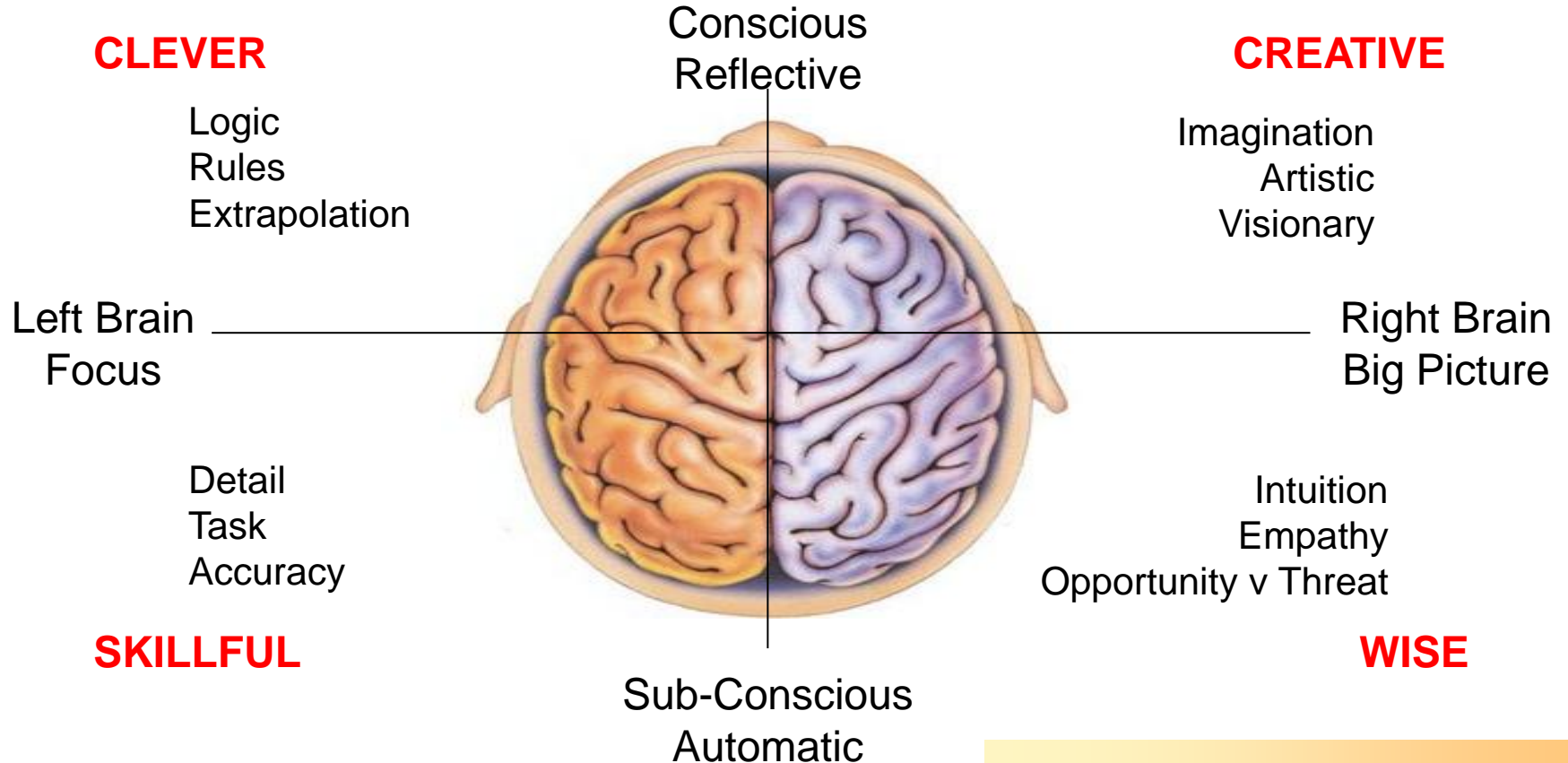
**“A bat and a ball cost \$1.10 in total.  
The bat costs \$1 more than the ball.  
How much does the ball cost?”**

**“People are not accustomed to thinking hard, and are often content to trust a plausible judgement that quickly comes to mind.”**

*Daniel Kahnemann, Nobel Prize Winner*

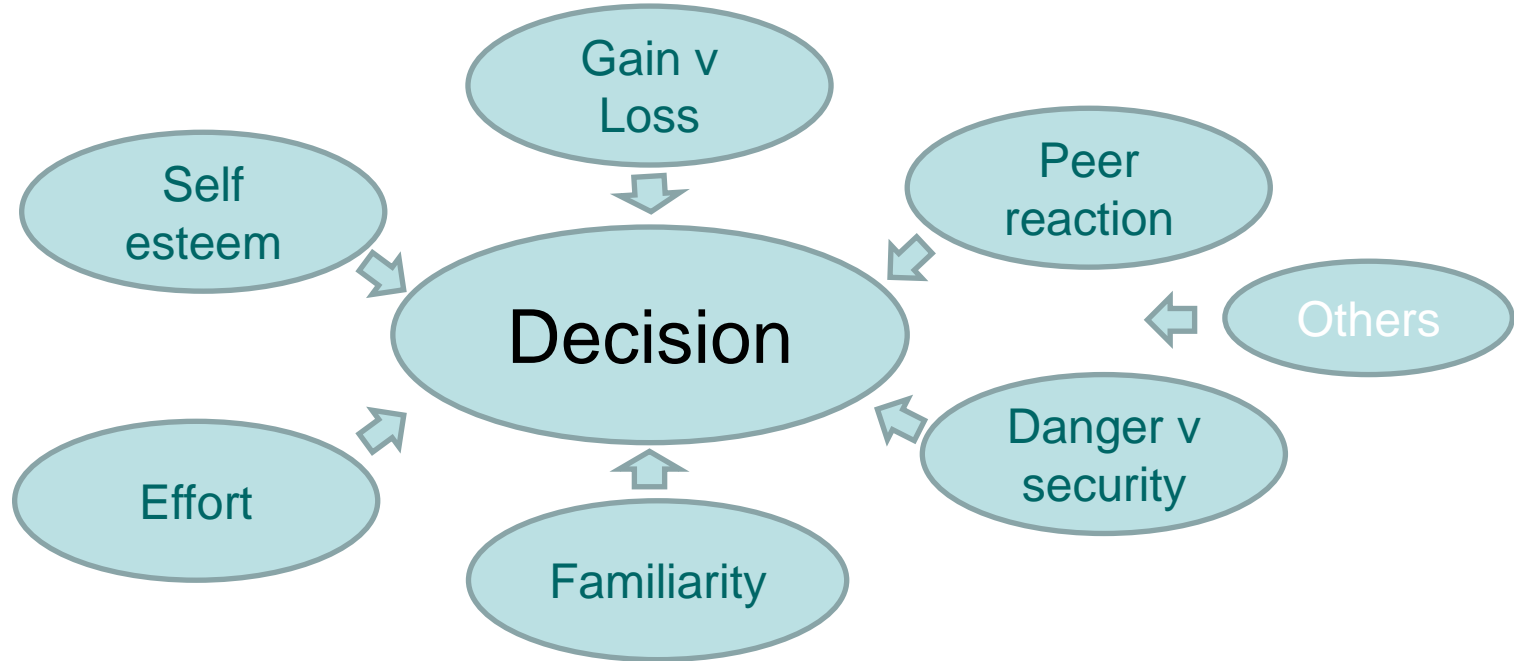


# Model of the Brain



# Decision Making

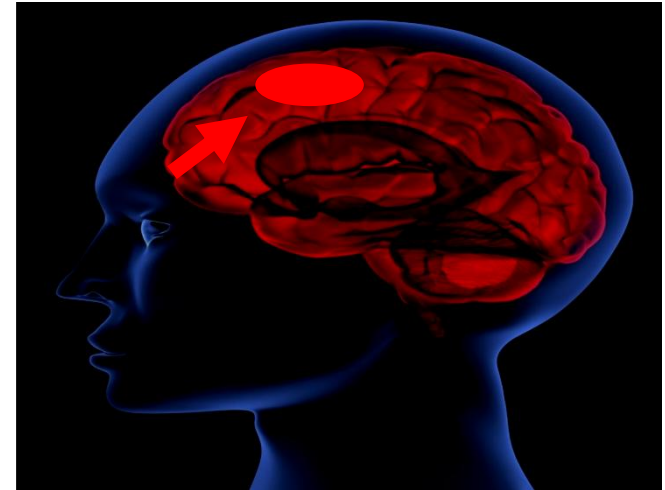
- Driven by emotions e.g:



- Logic simply modifies

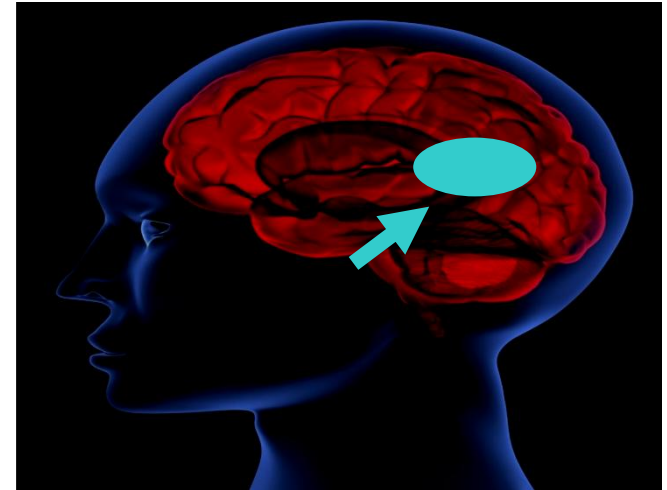
# The Explicit / Conscious / Rational Mind

- Based in the neo-frontal cortex
- Distinguishes homo-sapiens from Neanderthal man (and animals)
- New in evolutionary terms
- Slow
- Can only deal with limited information
- Can follow rules
- Can conceptualise
- Can't make decisions – only modify the decisions of the implicit brain



# The Implicit / Sub-Conscious / Emotional Mind

- Evolved over hundreds of million of years
- Processes vast amounts of information all the time
- Constantly builds predictive patterns
- Amazingly fast
- Can deal with very complex inputs
- Everything is based on experience
- Can't conceptualise
- It's where decisions are made







**If consumers don't think the way we  
assumed they do ....**

What does it mean for the way we do Market Research?



## Market Research Dilemma No 2 ....

How does Advertising work?



## What do we mean by .... “How does advertising work?”

- What makes a good ad?
- How effective was an ad?
- What media mix is best for an ad campaign?

# What makes a good ad?

Cadbury Dairy Milk Gorilla

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# Campaign Objectives



We wanted talk about the chocolate in a CDM way not a category generic way

Using the full creative opportunities of the Glass and a Half Full production.



# Campaign Overview

Brand:

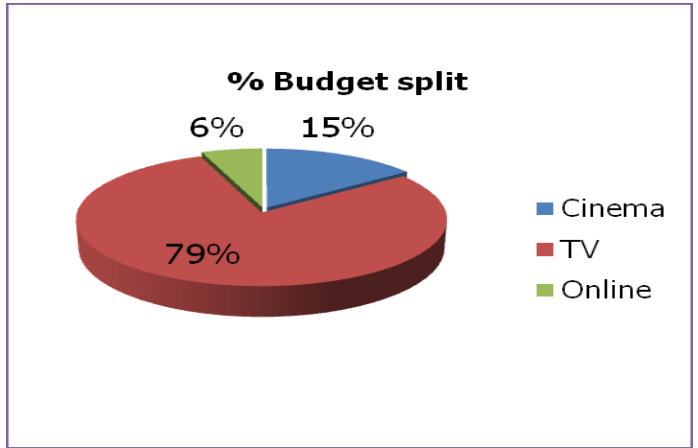
Cadbury Dairy Milk

Campaign Period:

9<sup>th</sup> April to 3<sup>rd</sup> June 2010

Campaign Spend

Total £3.6m



Media	Channels	9th April	23rd May	3rd June
TV	ITV, C4, Five, MCH	9 <sup>th</sup> April - 23 <sup>rd</sup> May		
VOD	Online and TV	9 <sup>th</sup> April - 23 <sup>rd</sup> May		
Cinema		30 <sup>th</sup> April - 6 <sup>th</sup> May	14 <sup>th</sup> - 20 <sup>th</sup> May	28 <sup>th</sup> May - 3 <sup>rd</sup> June
Online	Google AdWords, YouTube, Facebook	9 <sup>th</sup> April - 3 <sup>rd</sup> June		





# Research Design

Measurement Period



**Data Inputs  
from MEP**



**TV Measurement**  
Based on the survey data, calibrated to BARB



**Cinema**  
Survey based



**Online Measurement**  
Nurago LeoTrace software captured exposure to the campaign with tagging



**Purchaser, demographic  
and in store promotion**

**Analytics**



# Executive summary

- The online element of the campaign (in particular YouTube promoted video) delivers Cadbury a significantly higher return on investment compared to TV
- Given such an established brand the campaign as a whole has been successful in driving 3.5% of sales. Online budgets have worked the hardest in driving incremental sales, providing a more focused and targeted approach
- The campaign has been effective for the Cadbury brand overall as well as for driving Cadbury Dairy Milk sales
- Target group (15-34) show an even better response to the online campaign displayed by a higher uplift in sales
- Overall confirmation of an effective and efficient media mix. Valuable incremental reach and exclusive reach achieved by all aspects of the online campaign and particularly with YouTube



## The key point is ...

We can deliver what clients want ...

- We need to make use of the new neuroscience more
- We need to use Passive Measurement more
- We need to integrate data-sets more

## Market Research does have a role ...

- There is still a need to have reliable information on what consumers think and do on a global basis
- And to be able to integrate this with other business information
- The key question is whether the MR Industry will make itself the centre of this consumer information sector
  - Or whether it will become a niche player

## There are huge barriers to overcome ...

- Not least our own reluctance to change
- We have to 'think' more
- Re-define and re-learn our skills
- Persuade respondents to agree to do surveys/be monitored
- Make sure the data privacy legislation allows it
- Generally apply ourselves to the issues
- Invest

## The Future of Market Research lies in ...

- Representative panels
- Passive measurement
- Intelligent surveys
- Data integration (of all types of data)
- Overlaid with intelligent qualitative work for insight and interpretation



## But it won't happen unless we do embrace change ...

- Listening for the Unexpected

**AND**

- Passive Measurement, Data Integration and Modelling

**But it won't happen unless we do embrace change ...**







**Thank you for Listening**