2018 Industry Report

THE FUTURE OF MARKET RESEARCH

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INTRODUCTION

Cutting-edge technologies and methods for analyzing big data, passive data, and data in its most nuanced forms are slowly taking a stronghold in the market. Savvy marketers and businesses are quick to adopt the most agile solutions. These solutions include powerful AI and automated techniques that can sift through tens of millions of data points and identify meaningful patterns that can be turned into usable insights for professionals in any field.

This technology, up until a few years ago, was relegated primarily to the university setting being carefully fashioned by data scientists and tested in only the most forward thinking and innovative companies. However, as the processing power of the average personal computer continues to increase, these tools have become completely accessible and usable to non-experts.

The predominance of Big Data is demanding that companies unlock and use the myriad of insights offered by this treasure trove of information. Marketing organizations are already allocating a greater portion of their budgets to use powerful AI solutions—threatening to leave market research behind. The insights industry has faced steep growing pains in terms of adopting and investing in automation and machine learning. In this report, we found that the industry has mostly experienced stagnating growth and requires a more educated workforce that can supplement these powerful data solutions and form a more complete picture of the customer.

SURVEY METHODOLOGY

To assess the future of market research from the eyes of market researchers themselves, we conducted a survey investigating various aspects of their employment and provided a $10 gift card for participation. In order to reach market researchers across a brand sample of industries and companies, we sent survey links via email based on Fuel Cycle's CRM database. The survey was conducted in SurveyGizmo and included both quantitative and qualitative questions. There was no time limit and participants were able to complete the survey across multiple sessions. In total, the 2018 survey had 219 participants.

KEY TAKEAWAYS

MARKET RESEARCHERS PREDICT THE RATE OF FUTURE TOOL ADOPTION

Market researchers predict that new technologies geared towards data analysis will have the most effect on the industry. However, advanced and existing statistical tools, such as R and Python, that use previously developed machine learning technology are going largely unused and unnoticed by the industry.

UNCERTAINTY SURROUNDING THE ADVANTAGES OF NEW TECHNOLOGY

Uncertainty abounds as researchers and organizations wrestle with realizing the advantages of new technologies. Researchers are excited about the potential of new technologies, like AI and automation. However, MRs are uncertain as to whether their organizations will incorporate these technologies—as most businesses do not fully understand the scope and potential benefits that these tools have in the MR field.

THE INDUSTRY IS HUNGRY FOR A MORE TECH-SAVVY WORKFORCE

The market research industry is hungry for data scientists and a workforce more equipped to handle advanced analysis. However, market research faces several challenges that stand in the way of wholesale implementation and education of new technology, including time, budget, and the perception that these technologies need more time to mature.
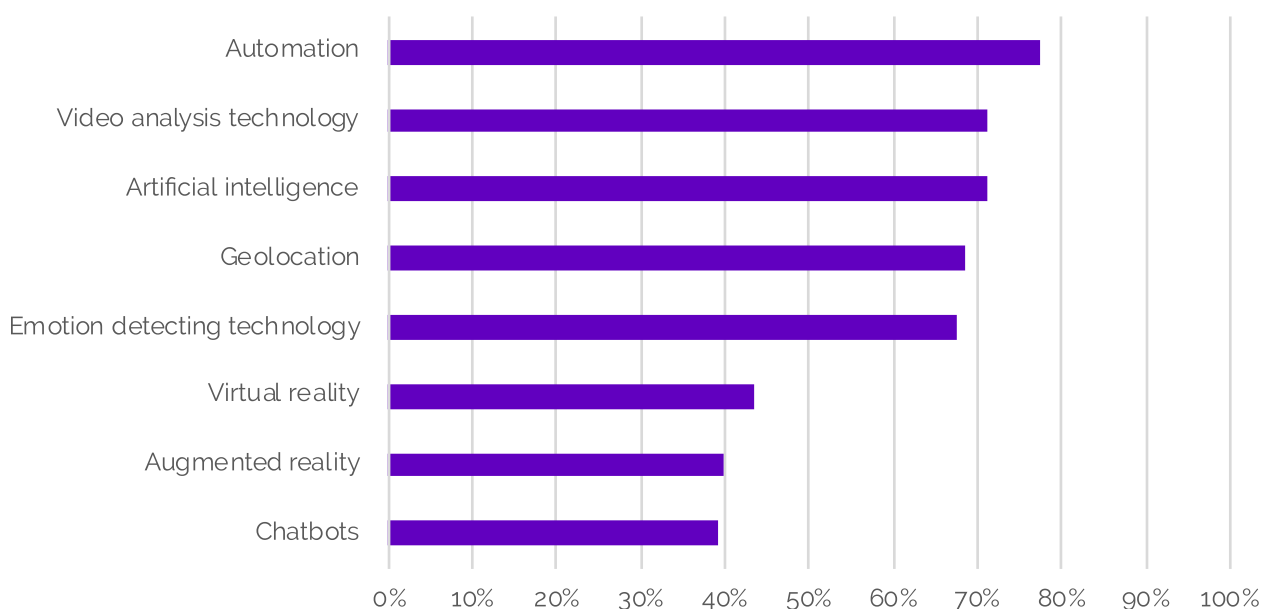
THE RISE OF NEW TECHNOLOGIES

The race to create and introduce the most holistic solution to the market for gathering and providing customer data has commenced. Salesforce just recently announced their acquisition of Datorama, an AI-powered marketing intelligence platform that provides organizations with powerful data unification and integration capabilities. And increasingly, market research is no longer the primary stakeholder of nuanced customer intelligence. Most market researchers agree that the changing market landscape requires more use of agile tools, 71% agree that AI and automation (77%) will have the biggest impact in the next five years. Currently, only a small segment of MRs use cutting-edge technologies in video analysis (22%), geolocation (20%), and automation (19%), but these will grow in importance as a more complete picture of the customer is needed and desired to support Big Data.

40% of market researchers believe that Artificial Intelligence/Machine Learning will have the biggest impact on the research industry.

Which of the new market research technologies that you use today, do you plan to use in the next 12 months?

THE RISE OF NEW TECHNOLOGIES

MR TECHNOLOGY NEEDS TO PROVIDE THE HUMAN TOUCH

Researchers report that the technology they are most excited about are the tools ready to support the human touch. While market researchers can never truly compete with the power and ability that computers have to sift through large troves of data, innovation has yet to replace human cognition. Currently, the best new technologies and the ones that MRs report being most exited to use are video analysis tools (22%) geolocation (20%), and automation (19%) which bolster the depth and scale of consumer reach. Market researchers still largely own the story behind the data and the right tools will help them understand the most granular details about the consumer's desires and behaviors.

Over 70% of MRs believe that automation, artificial intelligence, and video analysis technology will be very important over the next five years
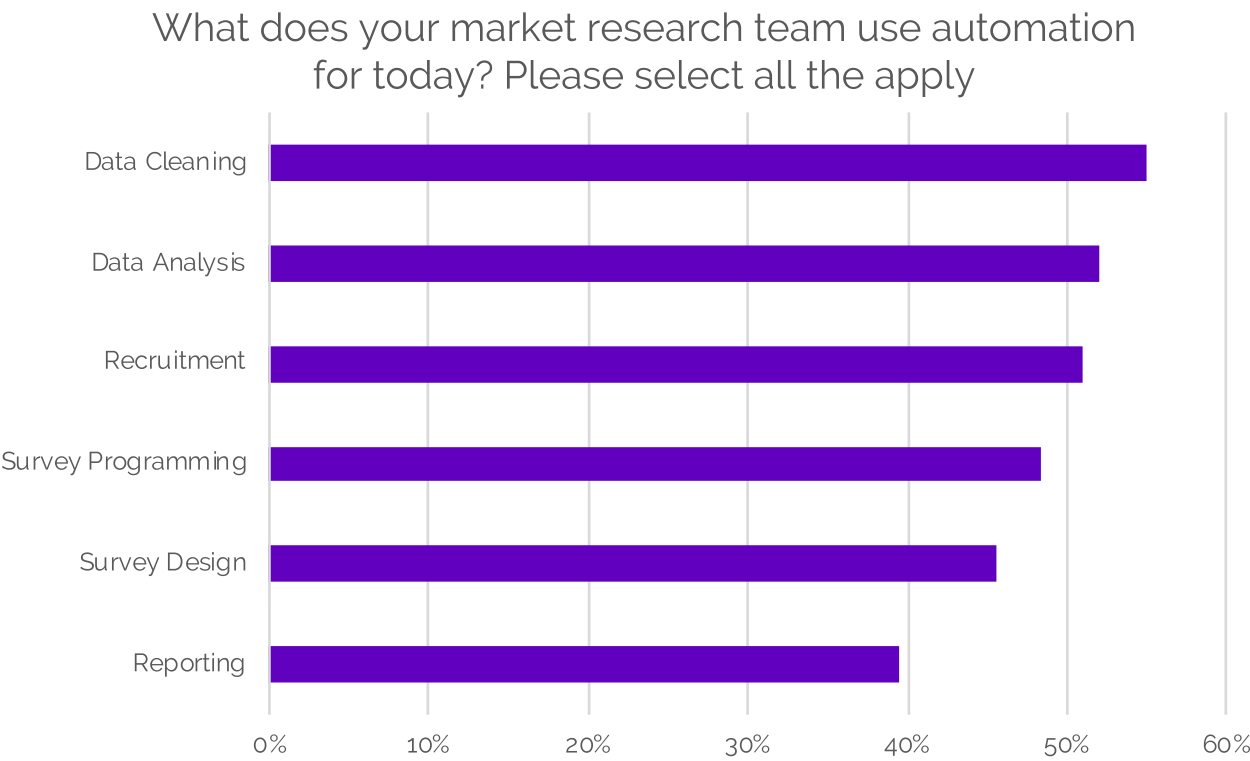
THE FUTURE OF MR IS AI

Very few respondents understand the current and most salient benefits of AI but see its utility in the future. Roughly 11% of respondents report using AI for their current research objectives and only 2/3 of those researchers state they will continue to use AI. Companies who are hiring for the future will increasingly look to recruit professionals who have experience with AI and automation. Quirks, in an industry report, noted that MR firms may be increasingly turning to experts, such as data scientists, to provide businesses with more in-depth knowledge and strategic guidance on gathered insights.

Roughly 11% of respondents report using AI for their current research objectives

UNCERTAINTY ABOUT NEW TECHNOLOGY ADOPTION

As Big Data becomes a regular feature of market research via implicit consumer data (e.g. behavior data collected from wearables and social listening), the amount of data analysis required will preclude any research team's ability to extract insights without the help of AI and machine learning. Although a staggering 80% of MRs express excitement and readiness for new technologies like AI and automation, they are more uncertain about whether these cutting-edge tech-nologies will be adopted. 46.9% of MRs are unsure whether their companies will adopt automation and 43.4% are un-sure whether their companies will adopt AI. Among those who currently use these techniques, 27.3% use them specifically for data analysis, suggesting that innovation can potentially enhance the productivity of an MR's day-to-day activities.

MRs unsure whether automation will be used for the following tasks in the next 12 months

What does your market research team use automation for today? Please select all the apply

UNCERTAINTY ABOUT NEW TECHNOLOGY ADOPTION

LACK OF EDUCATION = SLOW ADOPTION OF NEW TECHNOLOGIES

Despite over 70% of respondents stating that new MR technologies will be important in the next five years, they are overwhelmingly unsure as to whether they will be adopted. Driving this uncertainty may be the fact that MRs do not know how each technology has the potential to be a game changer. In other words, lack of education about the benefits of using these technologies could be standing in the way of their widespread adoption. Uncertainty may also be driven by the fact that MRs are not responsible for guiding budgetary decisions pertaining to investing, adopting, or creating policies that would allow for proper education and investment in new tools. Executives still appear to be unclear of how new technologies can augment human work and add overall value to the business.

36% of MRs believe automation will techniques will be adopted by their companies in the next 12 months.

EXCITEMENT DOES NOT ALWAYS EQUAL ADAPTION

The prevalence of adoption uncertainty is directly juxtaposed to MRs reported excitement about new technologies. For example, nearly 8 in 10 MRs are personally excited and ready for market research innovation in their respective companies. Yet, only 36% indicate that they will adopt automation tools over the next 12 months. Additionally, most MRs agree that augmented and virtual reality are not likely to be adopted. However, MRs marked interest in new technologies may be a key factor in the future growth of the industry—but only if they can make a case with upper-level management to invest the proper time and money to allow for innovation.
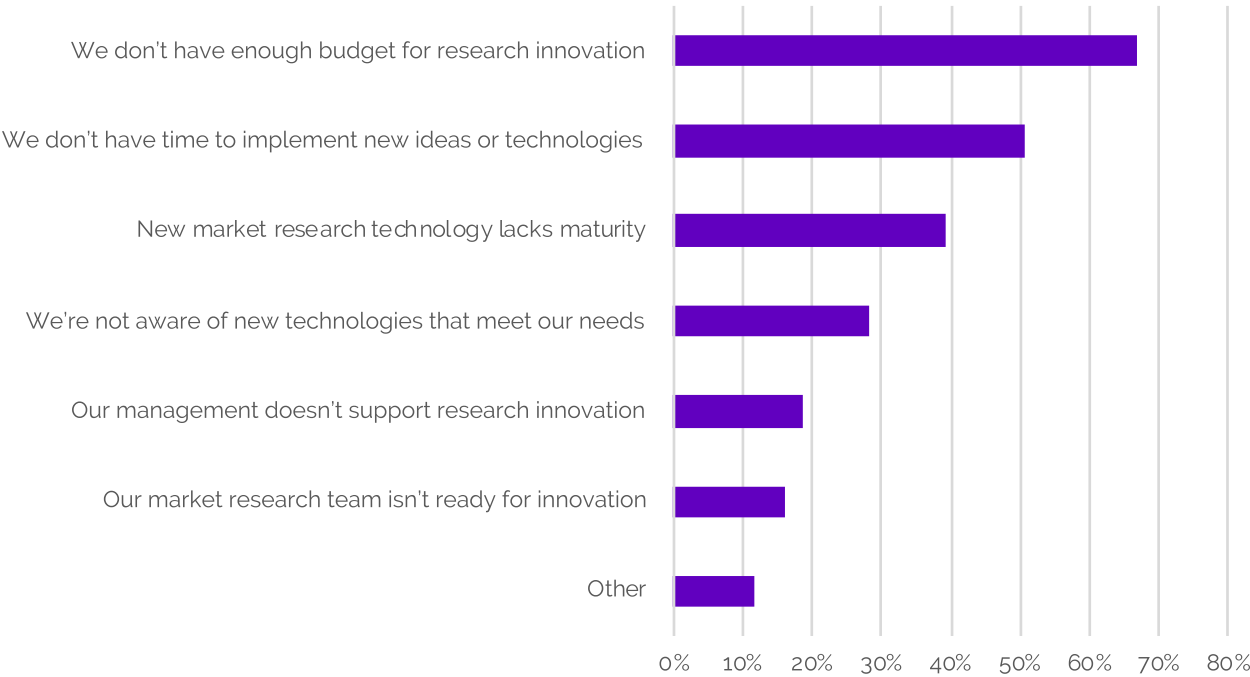
8/10 researchers are personally excited and ready for new technologies

CHALLENGES ADOPTING & IMPLEMENTING NEW TECH

Although MRs are excited and ready for new technologies, they cite several key challenges to adopting AI and auto-mation including lack of budget, time for evaluating and implementing new technologies—and, most importantly, the belief that these innovations lack maturity. However, the market research industry is hungry for individuals that will propel market research to the future. In an industry re-port by Q2 Insights, they foresee that industries that work primarily with data will require more data scientists, and the report highlights the current lack of experts in the field. The growth of the industry is in the hands of savvy MRs who are ready to grow their knowledge base of new methodologies and technologies and can advocate for the business importance of their practice.

Less than ¼ of market research budgets are spent on innovation

What are the top 3 greatest challenges to implementing market research innovation at your company?

We don't have enough budget for research innovation	~66%
We don't have time to implement new ideas or technologies	~51%
New market research technology lacks maturity	~39%
We're not aware of new technologies that meet our needs	~28%
Our management doesn't support research innovation	~19%
Our market research team isn't ready for innovation	~16%
Other	~11%

CHALLENGES ADOPTING & IMPLEMENTING NEW TECH

LACK OF BUDGET

Concerns MRs have around the future of market research is directly reflected in budget constraints. On average, MRs report that 12% of their company's budget is allocated to market research. Of these funds, MRs report that on average less than a quarter of the market research budget is spent on innovation and implementation. Smart tools come with a premium price and with marginal budgets persistently being allocated to the industry, future adoption of new technologies will continue to lag.

Perception that technologies lack maturity despite being around for many years in other fields

TIME CONSTRAINTS

Another key player in the adoption lag is the lack of time that MRs report having towards proper education and implantation of new tools. Increased demands for timely deliverables coupled with manual tools monopolizing day-to-day tasks (e.g., Excel) is creating a major roadblock for growth. Interestingly, the recuperated time offered by implementing automated tools and AI techniques could easily remedy and solve the problems corporate market researchers report facing with innovation.

TECHNOLOGIES NEED TO MATURE

Nearly 40% of market researchers indicate that new technologies require more time to mature before they can be adopted. Concerns are likely centered around whether these tools are applicable to the day-to-day MR tasks. However, it should be noted that machine learning and AI tools, based on algorithms that have been around for decades, are well established in academic fields. As it stands today, many of these tools are freely available in easy-to-use end-user programs that anyone can download (e.g., R, Python). Moreover, these tools can run efficiently and quickly on personal desktop computers.

51% of researchers say they don't have the time to implement new technologies

CONCLUSION

While market researchers face evident hurdles, any adoption, big or small, promises to positively shape the industry. Our results suggest that market researchers are excited and ready for new technologies but have trouble overcoming systemic organizational challenges. Market research-ers are currently trapped in a workflow that does not allow for the proper investment in budget, time, and education of innovation.

Widespread adoption is only a matter of time as many academic programs are formally offering courses that introduce the next generation of market research students to big data analytics and other advanced statistical techniques and solutions. We predict that the future of market research will be led by the up-and-coming crop of graduates who will be hired for their ability to go beyond Excel, and professional who have enthusiasm for new techniques that will likely propel companies into deeper and more meaningful insights.

SOURCES

https://sdama.org/knowledge/nine-top-trends-shaping-market-research-in-2018/

ABOUT FUEL CYCLE

Fuel Cycle is the leading market research cloud that combines both qualitative and quantitative data to power real-time business decisions. Through online communities, product exchanges, panels, and more, Fuel Cycle offers the only all-in-one market research platform for brands to connect to their customers. With Fuel Cycle, organizations can quickly act upon reliable data to help predict the future of their industry and stay one-step ahead of the competition. Headquartered in Los Angeles, Fuel Cycle powers the world's most customer-centric brands including Google, Hulu, Church & Dwight, Viacom, AIG and more. Its partners include Salesforce, Marketo, SurveyGizmo, Voxpopme and many others across the MR ecosystem. For more information, visit fuelcycle.com