



Kristof De Wulf

GOODBYE MARKETING RESEARCH



It seems Andy Warhol was right in 1968, when he stated that “in the future everybody will be famous for fifteen minutes.” This quote predicted that, someday, the “hierarchy of subjects” worthy to be represented would be abolished, with anybody, and therefore everybody, becoming famous at some point in time.

Whether or not that idea is entirely true is debatable; what is clear, however, is that we are in the midst of an unfolding economy of (crowds of) individuals. If you are talented and creative, you can make it happen; neither money nor power will stand in your way. Just think of the massive success of the South Korean musician Psy, who conquered the world with his song “Gangnam Style.” While the song was originally produced only for local K-pop fans, it conquered the world by way of the first YouTube video to reach a billion views.

The End of the World as We Know It

Digital transformation is the core engine behind the great shift of power toward individuals. The combined effect of online, mobile and social technologies is creating unseen change and disruption in many an industry.

Researchers at the McKinsey Global Institute (MGI) recently published a list of new technologies that are expected to drive massive economic transformations and disruptions in the coming years: mobile Internet, automation of knowledge work, the Internet of things, cloud technology, advanced robotics, autonomous and near-autonomous vehicles, next-generation genomics, energy storage, 3-D printing, advanced

materials, renewable energy, and advanced oil and gas exploration.

Most of these technologies can be brought down to one single disruption or revolution: that which was caused by information technology.

Just like a snake that sheds its skin to allow for growth (as well as to remove parasites along with the old skin), the marketing research industry will need to reinvent itself continuously in order to survive and remain successful. The yearly *GreenBook Research Industry Trends Reports* indicate that our industry is moving in the right direction.

But are we sufficiently fast and furious? Do we realize that the very existence of the marketing research industry is at stake, with new entrants from unexpected corners driving new relevance for clients? In a business that has now been around for seventy years, are we really getting rid of old, habitual ways of thinking?

Let’s take a critical look at the label we use to define what we are doing: *marketing research*. How relevant is it to take a “marketing” perspective in an environment that is increasingly dominated by individuals instead of segments? Is it still okay to rely on ad hoc brain-picking from samples that should be representative of markets? Is *research* a good descriptor of what our clients are really looking for? Increasing or revising current knowledge by discovering new facts still remains a core activity, but are clients not increasingly asking us to drive actionability and impact to make a real and tangible difference to their businesses?

Preparing for Disruptive Change

With traditional surveys and focus groups still dominating the scene, the speed with which our industry is changing is, in many ways, similar to the speed with which companies adjusted to the invention of electricity. It took well over a decade for companies to realize they no longer needed to build their factories near water, still considering water to be their prime source of power.

We cannot afford a similarly slow response, with the speed of environmental change being far higher today than at the time electricity was invented. Just recently, McKinsey reported that the research and consulting industry is listed at the bottom, versus other industries, when it comes to economic mobility.



I believe it is time to redefine the business we are in and prepare for revolutionary, disruptive change. Just as the music business has realized it is fighting a battle in the entertainment space, so the marketing research industry needs to redefine its scope and purpose. We either accept further commoditization, focusing on increased efficiency and accuracy, or we migrate to something bigger and more purposeful. Personally, I am convinced that the latter choice is preferable.

I believe the greatest chance for our industry to survive and prosper is to transform itself into what could be labelled as “consumer collaboration,” further building on the fundamentals of our industry, that is, curiosity, creativity and communication. An industry labelled as such would imply that we build consumer-activated organizations, helping companies migrate from passive marketing research to active consumer collaboration. It would mean that the role of “chief consumer officer” is taken seriously, acting as the linchpin between all other CxO roles. It would entail that we act as “matchmakers,” facilitating and strengthening employee-consumer interactions and driving unique value from that. It would encourage us to move beyond asking questions and getting answers, and toward getting questions from and formulating answers for consumers. It would make us behave as “consumer custodians” for brand owners, moving beyond consumer-centricity by giving consumers a real and direct impact on companies.

A Perfect Storm

We are in a perfect storm when it comes to making this radical change, not just from a defensive perspective, but even more so from an offensive perspective that would allow us to claim a more strategic position within the marketing services industry. We are probably witnessing the single best opportunity for the marketing research industry to actually become a respected partner of the C-suite or board level.

First, CEOs are waking up to the new reality. According to a recent (2013) IBM report, *The Customer-Activated Enterprise*, which captures the opinions of more than 4,000 C-suite leaders, 60 per cent of the CEOs surveyed expect to see customer influence grow most in business strategy development over the next three to five years. (The report can be accessed at <http://public.dhe.ibm.com/common/ssi/ecm/en/gbe03572usen/GBE03572USEN.PDF>)

In its 2013 financial performance report, *Growth Strategies: Unlocking the Power of the Consumer*, PwC highlights that “the race is on for CPG companies to put aside old ways of doing business and remake themselves as consumer-centric organizations active and effective across the channels in which their consumers engage.” (This report can be accessed at http://www.pwc.com/en_US/us/retail-consumer/financial-performance-report/assets/pwc-retail-consumer-financial-performance-report.pdf)

Clearly, business leaders are convinced more than ever that they can build organizational resilience through crowd empowerment – embracing connections with consumers as key stakeholders and driving serendipity therefrom.

Second, consumers are more than ready. A recent study in the U.K. highlighted the fact that consumers now spend more time and money on innovation than do all consumer product firms combined. The people who were formerly known as consumers have turned into contributors and volunteers, constituting a world full of problem-solvers who are creating billions of dollars’ worth of value without even being paid for it.

In the most recent study report by InSites Consulting, *Social Media around the World 2012*, eight out of ten consumers express their desire to become involved in any form of collaboration with a brand. With consumers having increasing access to powerful online, social and mobile technologies, clever organizations can benefit from consumers’ desire, enthusiasm and ability to collaborate with brands if the organizations create the necessary conditions for it. (The InSites Consulting report can be accessed at <http://www.insites-consulting.com/social-media-around-the-world-2012/>)

Third, researchers are in pole position to take the lead. Or, as put so nicely by T. G. Stemberg, “Forget branding and positioning. Once you understand customer behaviour, everything else falls into place.” Research agencies have the unique strategic advantage of having worked with the consumer for ages, putting them in a far more powerful position than any other business strategy consultant, advertising agency, or innovation firm willing to jump on the consumer empowerment bandwagon. The expertise and capabilities that research agencies have built over time provide a strong backbone and a springboard to claiming the consumer collaboration space.

The above-mentioned three forces create a perfect storm for change. But we need to move fast; else we run the risk of becoming obsolete and being left behind by new players invading the market space – think of DIY research tool providers, strategic consulting agencies, social listening companies, co-creative digital consultants, and customer relationship management advisors.

What It Takes

Although marketing researchers are in pole position, the race is far from being won. Our industry will need to develop a number of new skills that are essential if we are to be successful. We will need to transform ourselves if we are to take the roles outlined below.

Consumer coaches. There is a downside to expertise: Experts tend to do less out-of-the-box thinking; have a narrower focus, restraining creativity; and incline to giving too much attention to whatever they are expert at. In fact, certain tasks can actually be better performed by everyday consumers.

Although consumers have dominantly been used in their role as “judges,” there is a whole range of new roles consumers can take up to drive unique value for brands: consumers as “friends,” closing the gap between the corporate and consumer world; consumers as “colleagues,” directly collaborating with employees (e.g., ideating, co-creating, developing); consumers as “advocates,” sharing content they have co-created with peers and the outside world; consumers as “researchers,” taking over tasks from professional marketing researchers (e.g., moderation, quality control, interpretation).

Obviously, a lot of work still needs to be done in order to find out what type of “coaching” is required to bring the very best out of consumers: Who is most suited to taking up a certain task? When in the process are consumers most valuable? What techniques (e.g., crowd intelligence, implicit measurement) help overcome some of the natural limitations everyday consumers are facing?

People engagers. Our industry is and will remain a people business. Business success is, more than ever, dependent on the collaboration between various types of actors, the consumer taking a pivotal role. Knowing how to engage consumers as well as business executives will become the key differentiator in our industry, building on knowledge about what drives people to act (e.g., visual cues and design, storytelling, gamification).

The winners of tomorrow will be those who know what makes people tick and who use this knowledge to their own benefit, efficiently and impactfully. Ultimately, they will be experts in uniting people around consumers, tearing down organizational silos, and focusing all their attention on building a consumer-activated environment.

The role of people engager will require an even better understanding of an organization’s strategy, context, structure and culture, customizing the consumer collaboration journey and making it fit the organization like a glove.

Action heroes. Driving new and powerful insights from consumers is silver, but doing something meaningful with those insights, something in support of corporate goals, is gold. Demonstrating impact is, more than ever, the name of the game for professional marketing services agencies. It is less about what we do and how we do it than it is about how much of a difference we make.

Meaningful actions are turning insights into concrete ideas and concepts, positively affecting the hearts, minds and actions of employees, through consumers, and delivering better brand and consumer experiences.

Making the transition to the consumer-activated enterprise implies that actions and their subsequent impact will become the ultimate measures of success. The focus will shift from looking back to building capabilities forward, moving beyond what we know today and addressing what consumers want next. Researchers need to move up on the consultancy ladder, embracing knowledge and expertise from the branding, innovation, and brand activation domains.

Becoming action heroes implies speed as well: organizations will need to catch up with the speed of external change around them, allowing external stakeholders inside their own organizational walls.

Ecosystem builders. We will move away from ad hoc thinking and acting and, instead, we will build sustainable ecosystems of consumer involvement and activation, minimizing waste, using output from one source as input for another, allowing recycling, making information and knowledge shareable with others, and enabling the option to connect the dots more easily. This change will require us to learn how to drive value from “knowledge in use” rather than from stored knowledge, realizing that the value of knowledge decays every minute of its existence.

I expect our industry to become increasingly method-agnostic, combining several sources of inspiration and collaborating with a hybrid breed of stakeholders. Various crowds of people will become fixed institutions, available on demand, or they will provide support without even being asked for it. These crowds will, increasingly, need to be global, transcending barriers of time and place, offering a unified yet culturally localized experience.

Collaboration with consumers is moving into the mainstream; even if you do not take advantage of it, your competitors surely will. Are you ready to say goodbye to marketing research as we know it?

Kristof De Wulf, PhD, co-founded InSites Consulting in 1997 with three colleagues and has acted as CEO since 2012. Kristof still supports clients and is the account director for PepsiCo, Mars, Danone and Unilever. He has published numerous articles in refereed journals and was awarded the 2010 MOA award for agency researcher of the year. He is on “The Ultimate List of Social CEOs on Twitter,” just a few places behind Oprah Winfrey and the Donald. You can follow Kristof on Twitter (@kristofdewulf).