The Innovation Hotspot: Why Market Researchers Should Drive Like Italians
By Simon Chadwick, Managing Partner

When I was a young CEO in Milan, Italy, I once asked a colleague why Italian cars were sold without wing mirrors. His response was “I already have one mirror that I don’t use, why would I want another?” In other words, Italians drive with extreme concentration on what lies ahead, not behind.

Back in 2009, Kim Dedeker, then coming to the end of her tenure as head of P&G’s Consumer and Market Knowledge (CMK) function, said that far too much of her budget was focused on validation – the rear view mirror that acted to validate (or otherwise) marketing actions that had been taken in the past. She looked forward to a time when at least 60 percent of CMK’s budget would be devoted to what she called the “fuzzy front end” of innovation. She was strongly endorsed in this view by many other luminaries of the industry.

In our latest study on corporate management of insights, conducted in partnership with BCG and Yale, it appears that today’s most successful research departments have done just that. Moreover, the word that most describes the ideal department – as far as its stakeholders are concerned – is “innovation”.

In a world in which some of the old staples of market research – customer satisfaction tracking, brand tracking, copy testing, pack testing – are rapidly being automated, it is sometimes tempting to assume that research as we knew it is rapidly approaching its demise. But what is actually happening is that the true value and impact of research is being felt at the front end – in innovation and product development. This becomes startlingly clear when we compare answers to two key questions, asked of stakeholders (marketing, brand, line managers and senior management):

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1. In what areas of the business is research used the most to make decisions?

2. And in what areas are they willing to invest significantly more in research?

The top right-hand quadrant in the figure above points very clearly to those areas – already prominent in research today – where management wants to spend even more: new product development, R&D and customer experience. This is where budgets are going.

Of similar interest is where businesses are not currently using research much in their decision-making but where they want it to focus more in the future: customer service (the outgrowth of customer experience) and employee engagement.

What does this mean for the research agency of tomorrow? If you want to grow, develop and strengthen your offerings in product development research and in understanding and bringing to life customer (and maybe employee) journeys. You won’t go wrong.

Go on – accept a little risk into your life. Drive like an Italian.
Research in an Automated Future

By Simon Chadwick, Managing Partner

If there is anything left that can amaze us in the surreal spectacle that is currently passing as a Presidential Election, it is that neither candidate has talked much (if at all) about the role of automation in hollowing out the blue-collar middle class. There is no doubt that outsourcing has also played a role, but it is automation that now poses the far greater threat.

The phenomenon of automation, of course, is nothing new. Think of the cotton gin, mass production lines and container ships. Each of them felled entire crafts and categories of worker. And yet each also fueled immense economic growth sufficient to soak up a retrained workforce.

Today, however, there is the genuine threat that automation may spread so fast in this age of digitization that no amount of retraining will enable the workforce to keep up. Witness the New York law firm that recently fired fifty top bankruptcy lawyers, only to replace them with IBM’s Watson.

Could the same happen in market research? Of course, it’s not as if automation is anything new in research – just talk to the face-to-face or telephone interviewers who were replaced by the anonymous internet or the coders who were replaced by automated coding and now text analytics. But the pace has now picked up. Witness the collapse of customer satisfaction tracking as its function is handed over to automated technology platforms. Or the rise of the research app store as epitomized by Zappistore. Or the likely demise of data processing as algorithms work out what should interest us in the data and what should not. What’s next?


It is arguable that the ranks of those who work in market research (around 35,000 in the US) will be thinned out considerably in the next few years. But does that mean there is no hope for the industry going forward? Not at all! Forbes recently ranked the job of research analyst/data scientist as the Number One job of the future. But, if automation is hollowing out our ranks, how can this be so?

I would posit that there is one thing that stands in the way of obliteration: the necessity to understand the human mind and the role of emotion in our interactions with each other and with brands. The two Dans – Kahneman and Ariely – have done a wonderful job of demonstrating that human beings are predictably irrational. We make decisions with our emotional (and even reptilian) brains far more than we do with our cognitive ones. And if there is one thing that machines cannot (yet) do, it is to fathom the randomness of System 1 thinking.

Furthermore, I doubt that machines will make great story tellers where the human condition is concerned any time soon. These are the two things that future researchers will need to master – connecting seemingly random dots in emotional decision-making and then creating stories with which to convince senior management to take their own decisions.

Unless, of course, senior management also falls to automation. Then we’re screwed.
Storytelling is Like Planning for a Road Trip

By Beth Rounds, Partner – Marketing Strategy

Think about the last time you took a great road trip, what made it so successful? If you are a planner like me, you probably:

1. Had a goal in mind, a route and/or a destination
2. Harmonized your objectives with others
3. Conducted research on the area
4. Laid out a plan, with interesting points along the way
5. Packed the right clothing and equipment

Ultimately, I want the trip to stretch me – to inspire me. And while I am less spontaneous than some, I’ve learned over time that discovering something unexpected along the way can be the highlight of my trip!

Creating a good story from your data is similar to planning for a great road trip. So let’s plan our story road trip:

1. Establish a plan upfront. Outline the whole story before writing its parts. Too often we get bogged down with the details rather than focusing on the big picture. If you have a hard time doing this, bring in someone from another area that can help you. For example, marketers are great at uncovering a story.
2. Match your report delivery with the stakeholder’s needs. CEO’s have different information needs than brand teams or sales organizations.
3. Keep it simple! Great storytelling tends towards simplicity, so a 130-page PowerPoint report won’t cut it anymore.
4. Be curious. Organizations that integrate primary research with other data sources, and then synthesize these will set themselves apart from traditional “data reporters”.
5. Visualize your data in new ways to better tell your story. That said, use graphics wisely – you want to inspire action not distraction.
6. Engage the reader with both facts and emotion.
7. Re-think the skill sets and staff needed to deliver. They won’t be the same as they are today.

A great road trip is educational, fun, inspiring and exciting. Sometimes, there are tensions that arise that need to be resolved – exactly as in a great story.

For more tips and tricks on storytelling, CLICK HERE to view Simon Chadwick’s talk on the subject at this year’s ESOMAR or contact me, Beth Rounds, at beth@consultcambiar.com about our training programs.
Simon Chadwick Elected as Inaugural Chair of Insights Association!

Insights Association - the new market research and analytics industry trade association resulting from the merger of CASRO and the MRA - has announced that its inaugural Chairman will be Cambiar's Managing Partner, Simon Chadwick. Simon has long been involved in our industry's associations, having been Chair of CASRO in 2004 and spent 11 years (at various different times) on the CASRO Board. He is also Editor-in-Chief of ESOMAR's trade magazine Research World and is a Fellow of the UK's Market Research Society.

Chadwick commented, "It's a huge honor to have been asked to take on this role in the first year of Insights Association's life. During this time, the Board, staff and I will be seeking to build a forward-looking, inclusive and sustainable association that advocates on behalf of all parts of the industry. We will embrace change while at the same time ensuring that the industry continues to uphold the highest standards of ethics."

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