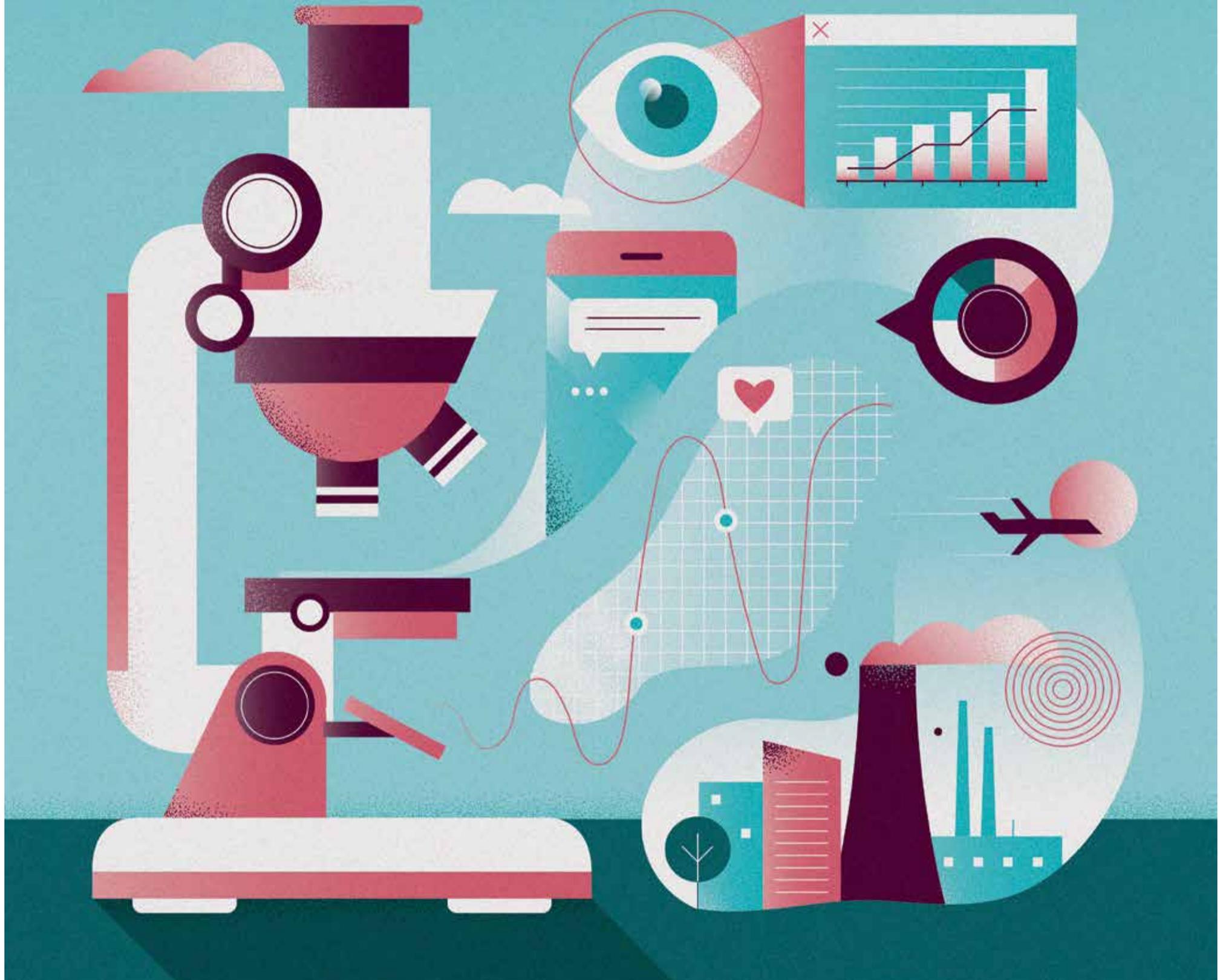


INSIGHT ECONOMY

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MORE THAN JUST SPEED



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INDUSTRY EVOLUTION

Expectations now sky-high as research tools evolve

The rise of big data analytics has enabled businesses to glean deeper insights, but clients now want faster, cheaper and more innovative research

Daniel Thomas

It is not surprising to learn then that the industry has changed radically over the last ten years as the rise of big data analytics, new technology solutions and an increasing tendency to in-source research have reshaped the way operators do business.

It's mostly been good for clients, who have more choice when it comes to seeking help with their business, says Ms Frost. But it has been uncomfortable for some market research providers, who face more pressure to deliver quickly and cheaply in an increasingly competitive market.

Despite this, the market research industry continues to grow strongly, with research from PwC showing the UK sector alone was worth £4.8 billion in 2016. That was up 62 per cent in four years and larger than the country's public relations and communications sector and its music industry.

The rise of big data analytics has been the main driver of the industry's expansion, according to PwC, with this sector expanding 350 per cent over the period.

From crunching sales and performance statistics to scraping social media sites, companies are increasingly using available data sets to get a more granular picture of their customers, while making use of low-cost analytics services from the likes of Google.

For an industry whose foundations are based largely on qualitative, as opposed to quantitative, research it has been a huge shift, but Ms Frost says it's created opportunities too. People are waking up to the limitations of big data and realising they need help in understanding it, which is where traditional market research companies play a role.

In fact PwC found that as the data analytics side of the UK market research has expanded, there has been a simultaneous increase in qualitative research being used to help interrogate findings.

"Increasingly firms are generating data for their own purposes, but a lot of it is not very usable, so they are coming to the market research industry for help," says Ms Frost. "People have started to talk not about big data, but smart data, which is data collected ethically that will also help you answer a question."

There has also been a growing tendency for consumer-focused companies to take their market



Hinterhaus Productions/Getty Images

research in house as they seek to take control of the growing number of sources of information available to them. Take UK media company Sky, which five years ago established "a more robust" internal team, according to Sarah Jousiffe, the firm's head of qual, closeness and insight engagement.

Sky now employs an array of quantitative and qualitative researchers in house while outsourcing about 40 per cent of research work to a roster of third-party agencies. "Before the majority would have been done externally," Ms Jousiffe says.

Consumer-facing companies also have a plethora of new technology tools available to them to help, from programmatic sampling services that

let you find samples of consumers online, to survey scripting programs such as Survey Monkey.

Jenn Vogel, vice president of marketing at Voxpopme, a video insights platform, says the company does work with some market research agencies, but very often companies like hers cut out the middleman by letting firms go direct to consumers.

Through Voxpopme's platform, consumers can upload videos of themselves giving feedback on a product or service via their smartphones. The audio is automatically transcribed and assessed for sentiment. "We are replacing the old focus groups which can be time consuming to arrange," she says.

Just six years old, Voxpopme

already has 60 staff and boasts clients such as food giant Mondelez and detergent maker Clorox. Ms Vogel says the firm grew by 150 per cent in 2018.

In response, traditional market research companies have been racing to integrate new technologies and data analytics into their offerings. As happened in the advertising industry a few years ago, such operators also face more pressure to explain their pricing.

"Customers want faster, cheaper, more innovative research," she says, but warns many do not realise what actually goes into achieving this. "If you want to hear from ten white-van drivers with one leg who vote Conservative, you don't just go out and talk to ten people, you need to speak to 100 people and whittle it down. We need to do a better job of explaining those costs."

In the next five years, Ms Vogel expects to see the continued transfer of new technology into market research, which at the bleeding edge will mean greater use of developments in neuroscience and behavioural economics to help companies gain an advantage. She also expects social media analytics to become more sophisticated, noting that at present social insight is fairly limited in what it can tell you.

"People using social media are self-selecting. So the government would never use social media insight to get a picture of what the public are thinking," she says.

Ms Jousiffe expects data to play an ever bigger role in the industry, pointing out that her firm is currently "drowning in it". She also thinks there is a job to do in creating a bridge between those managing qualitative and quantitative research within companies as they are such different disciplines.

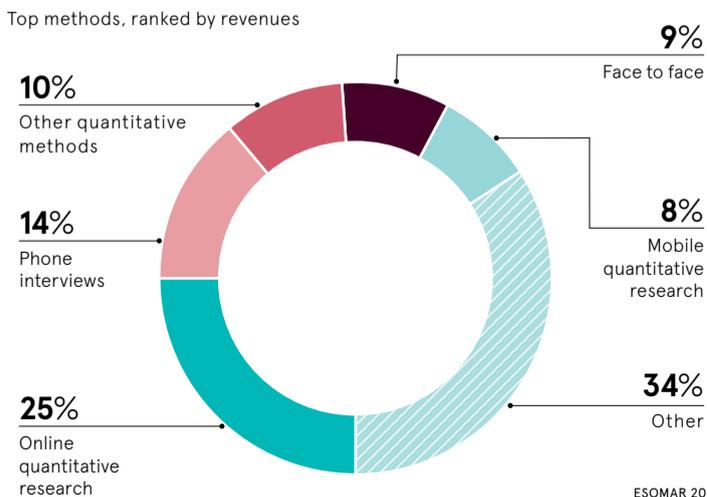
"The people who work in research and in data analytics are very different," she says, "and joining this up has been our biggest challenge over the last five years."

She also recommends that more traditional market research companies should work in partnership more often with the new tech firms nibbling at their market share as it could create new opportunities.

Ms Frost at MRS agrees, urging market incumbents to be "flexible, and to identify and adapt to new ways of doing things".

"Look at your clients in the same customer-centric way that they do with their customers," she concludes. ●

MARKET RESEARCH INDUSTRY BREAKDOWN





Dong Wenjie / Getty Images

DATA SCIENCE

Research experts even more vital in big data era

For companies to add value through data science, they still need market researchers to interpret the “what” from the “why”

James Gordon

You don't have to be an expert in big data analytics to know that data scientists are in great demand. According to a report by MHR Analytics, 80 per cent of UK companies plan to recruit a data scientist this year. Amazon says a boom in artificial intelligence and machine-learning has seen data scientists' jobs grow by a staggering 505 per cent over the last five years.

With an abundance of data being generated from vehicles, mobile phones and a myriad of household electrical goods ranging from the TV to the toaster, it's easy to see why chief executives are desperate to hire data architects to address their insight needs.

But is their faith in data engineers

misplaced or are we witnessing a paradigm shift? Can data science really replace market research, a profession which big business and government have always traditionally relied on to find answers to difficult questions?

Aidan Slingsby, director of City, University of London's MSc in data science, doesn't believe that market research is dead nor does he think data science will take over. He believes data science can provide “an exceptionally useful tool for market research professionals”.

“Data science helps identify correlations. So data scientists can provide patterns, networks, dependencies that may not have been otherwise known,” says Dr Slingsby. “But, for data science to really add an

extra layer of value, it needs a market researcher, who understands the context of the information, to interpret the ‘what’ from the ‘why’.”

It is a view shared by Ben Page, chief executive of Ipsos MORI, one of the UK's largest market research companies. Mr Page, who has worked in market research for 32 years and has headed Ipsos Mori since 2009, says that to pit market research against data science “is something of a false dichotomy”.

He explains: “Market research is effectively about the understanding of human beings, and their behaviour and motivations. It is a realm that data science cannot penetrate on its own.”

Mr Page says that while Ipsos MORI employs more than 1,000 data scientists around the world, they make up just one of many different skillsets which include behavioural scientists, anthropologists, ethnographers and documentary film makers.

“And with 16 per cent of people in the UK unable to fill in an online form, we also hire survey interviewers to knock on doors and ask questions,” he adds.

To illustrate the point further that data science isn't the only tool in its armoury, Mr Page provides an example of research Ipsos MORI conducted for a global manufacturer of pet food.

“Because people in Brazil have lower average incomes than in the UK or the United States, the client, understandably but incorrectly, assumed that Brazilians would buy the cheapest pet food. But actually, the opposite is true,” he says.

With the internet of things and ecommerce platforms not as advanced in Brazil, Mr Page says data science “would not have

provided the breakthrough”. Instead his team used observational research and ethnography.

“Data science might have simply provided us with a list of the most popular pet food sold, but it would not tell us much about the people buying the pet food, especially in a market like Brazil. But with ethnographers observing Brazilian households over a period of months, three key findings were revealed,” he says.

“The first was that Brazilians love their cats just like the British do. The second observation was that, with access to a cheaper labour market, many Brazilians employed a housekeeper to cook for them and for their pets or cooked for their pets themselves. Thirdly, we saw how Brazilians often shop every day and had a strong preference for fresh food.”

Armed with this insight, Ipsos MORI advised its client to put their premium pet food in a sachet alongside the fruit and vegetables in supermarkets, so when people bought their daily supply of fresh fruit and vegetables, they could also purchase high-quality cat food as well.

And the result? “Our client followed our advice and saw its sales of pet food in Brazil rise by 67 per cent in six months,” says Mr Page.

Felix Koch, regional chief executive at customer insights agency C Space, takes a more holistic view. “Data without strong customer gut feel is not enough, nor is intuition sufficient without data,” he says.

Mr Koch, who heads the award-winning customer agency's European and Asian divisions, offers an interesting anecdote on why you can't have one without the other.

“We recently worked with a fast food retailer,” he says. “Data science has told us footfall was down and it also revealed that fewer women were visiting the restaurants. But the data we had crunched couldn't tell us why that was. We followed up with a quant survey, but that only told us that customers thought the restaurants were dirty. Again it didn't reveal the full picture.”

“When we dug deeper, by building relationships and talking to female customers over a long period of time,



Market research is about the understanding of human beings. It is a realm that data science cannot penetrate on its own

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we discovered that an overwhelming feeling of shame was keeping them away. They felt that in visiting the restaurant they were not just letting their young kids down, but were also worried as to how their friends and family would view their actions.

“This insight helped us drive change for the client. To really peel away the husk and get to the truth, you need to employ multiple methods. Data is just one of them.”

However, that is not to say data science can't make the difference. It can. Ipsos MORI uses data science to evaluate how people are consuming different media and what they are looking at. It works out the value of 460,000 billboard posters in London by equipping a representative panel of the public with GPS responders.

Mr Page explains: “The devices record their real-time position and track everywhere they go. Over the course of a year, this allows us to see how many people view an advertising hoarding in Oxford Street rather than, say, Shaftesbury Avenue. With this information, we can calculate the number of posters and size of hoarding required in each location for the company advertising to gain maximum exposure.”

But can data science reach audiences market research cannot? For example, very few commentators predicted the UK would vote to leave the European Union, prompting Conservative MP Michael Gove

infamously to declare that people had “had enough of experts”.

Dr Slingsby, who is also a senior lecturer and researcher at City's giCentre, thinks that in the future, political polling companies may rely more on data science than they do now. “Data science may help unlock alternative sources of data. For example, there may be significant voices that deviate from the mainstream within closed online communities whose opinions are not captured by traditional surveys or market research,” he says.

“Data science may be able to help extract these, allowing them to be used alongside traditional sources. Once we understand how we can use them effectively, this may help political analysts gain new insights.”

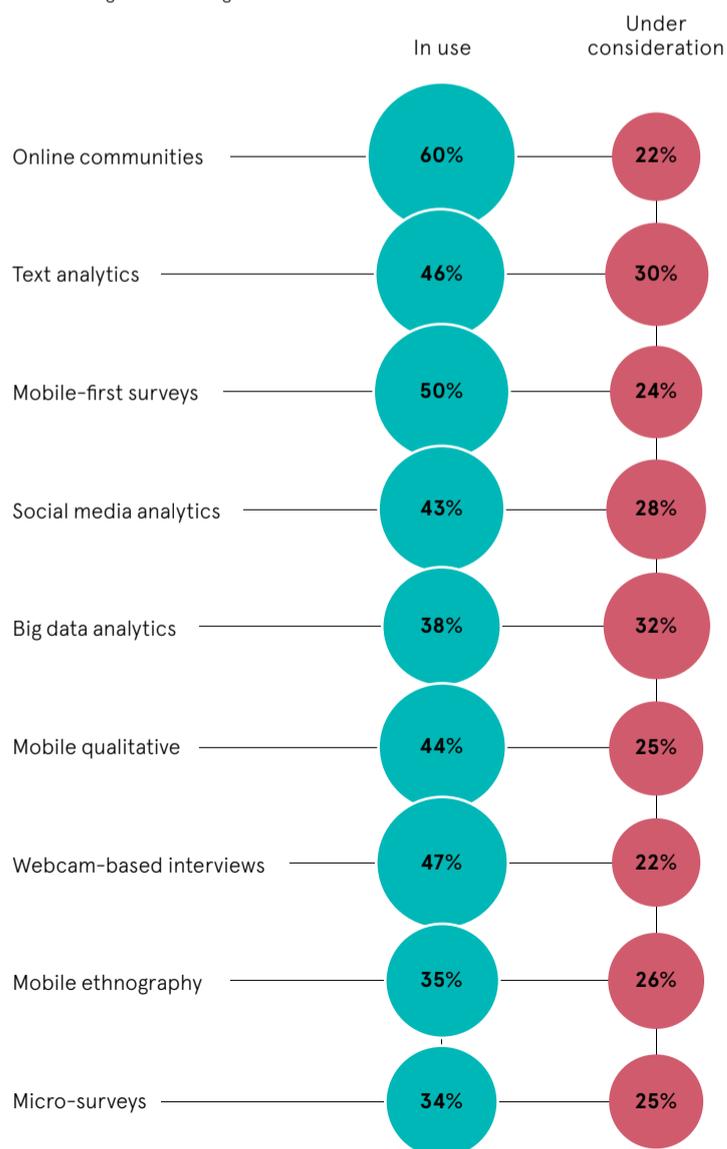
So could data science ever replace market research in political polling? Ipsos MORI's Mr Page does not think so. “Analysing Twitter or Facebook has not proved more accurate than representative samples of the public and often less so,” he says.

Opinion polls have largely remained accurate over the last 60 years and an Ipsos MORI telephone poll was the most accurate forecast of the European elections in May.

“At the same time, data science and data modelling has a huge contribution to make. The extra granularity of the insights that data science brings is hugely important,” Mr Page concludes. ●

MOST POPULAR RESEARCH METHODS

Percentage of market research suppliers and clients who are using and considering the following



Greenbook 2018

Leading the way in expert recruitment

The head of a consultancy, which recruits data, analytics and market research professionals, tells of a paradigm shift in the global insights industry

Even 20 years ago, the terms big data and data science weren't used. The insight industry consisted of market researchers and statisticians, who supplied data to people with the time and skills to process them.

Fast forward to 2019: time is scarce and requisite skills have diversified so much that companies now need answers, stories and recommendations to make sense of the data deluge they're subjected to.

“The data used to be small so insight could report everything that is interesting. Now data is big and we need to curate it down to a manageable size,” says Elizabeth Norman, quoting her industry peer Ray Poynter, following a recent discussion.

Ms Norman, via her insight industry recruitment specialist company Elizabeth Norman International (ENI), recently evaluated the paradigm shift that has occurred in this realm over the past 30 years. The sector is now not only data centric, but also more international than ever before, she emphasises.

“We recently tracked down 46 traditional researchers that we'd placed in UK roles back in 2003,” she says. “Of those 46, 12 are now working as insight specialists outside the UK and ten are in pure data science and analytics roles.”

“The job titles they now have, which include social media strategist, head of customer experience, user researcher and marketing effectiveness manager, shows the shift towards a much greater range of techniques and skills as the industry grows and diversifies.”

“The career opportunities this growth has given them is also clear; five of them are managing directors, another five are global heads of insight for large, blue-chip organisations.”

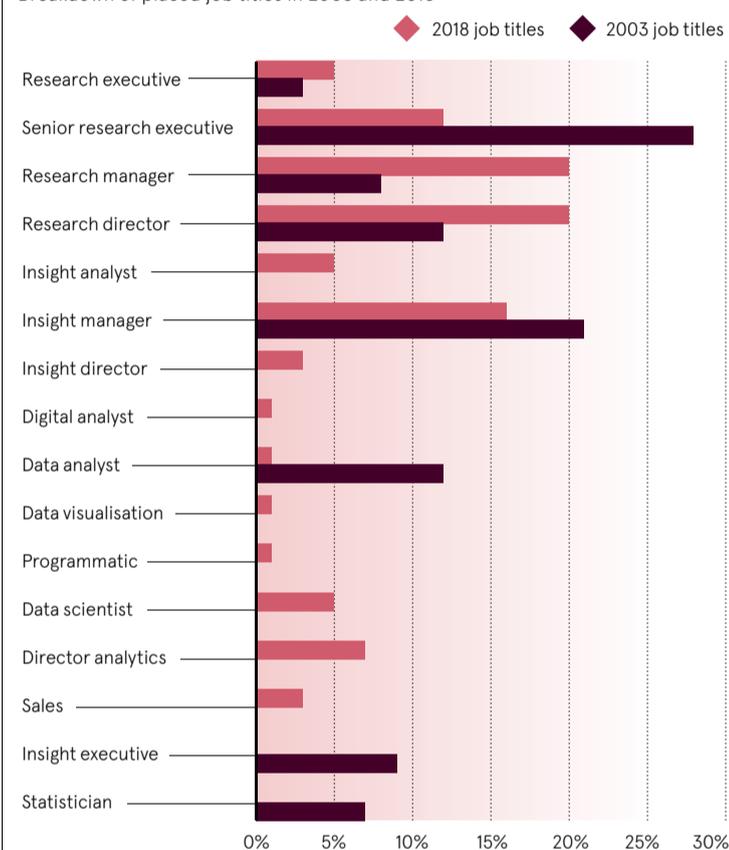
“Just from our own stats and the achievements of the people we placed 16 years ago, you can see how much the industry has evolved.”

ENI is widely recognised as the leading specialist in global insight recruitment, matching companies and candidates to help negotiate such a fast-moving domain.

“I can't imagine an industry that could change more than this one has,” Ms Norman continues. “It's not just an

HOW SKILLS AND ROLES HAVE CHANGED OVER THE PAST 15 YEARS

Breakdown of placed job titles in 2003 and 2018



industry evolution; it's created a huge rise and diversification in career opportunities.

“Once there was just traditional qualitative and quantitative research, with a bit of data added on. Now the range of techniques companies use include artificial intelligence (AI), advanced analytics, mobile data, passive data, ethnography, video, social media analytics, biometric response, gamification, neuroscience and behavioural economics.”

“In terms of job roles, this equates to needing specialists in areas that include data science, semiotics, psychology, video, graphic design, sales, AI, marketing intelligence, computer programming, communications and, for story-telling, even writing and journalism.”

For ENI as a company, the diversification of data application and usage has been a challenge. Data has no jurisdiction and as a consequence, ENI has worked with almost every sector of profit and even non-profit organisations, finding insight professionals to leverage vast swathes of data.

“All the companies we work with have masses of data coming in and need to make sense of it,” says Ms Norman. “They all need people to help them with it and that's why our range of clients is so wide.”

“ENI has been operational for 30 years, but the diversity of skills companies

need and the resultant opportunities that have opened up for potential candidates, means we've had to massively widen our scope and understanding. It's not just a search for the best researchers and statisticians anymore.”

Ms Norman is hugely proud of ENI's ability to keep ahead of this curve, but even more so of the industry itself and the individuals the company has placed in insight roles over the years.

She concludes: “Of the 46 people we tracked down from 2003, three of them are actually still with the same organisations we placed them with initially and one has even risen from a junior role to now be head of intelligence and data analytics at Microsoft.”

“I love to see that ongoing, long involvement with the industry to see how they, we and the industry has managed to keep ahead of the biggest paradigm shift it's ever faced.”

“I can't imagine an industry that could change more than this one has

For more information please visit elizabethnorman.com



SOCIAL MEDIA

Why you can't treat all social data the same

Analysing the enormous volumes of data generated by social media networks can be a powerful tool, but it's important to know the subtle distinctions in how consumers use each platform

Josh Sims

If customers used to talk about the products and brands they liked face to face, they're as likely now to be doing so via social media.

By querying large volumes of social messages using specific keywords and analysing the overall customer sentiment, a process known as social listening, it's increasingly possible to glean valuable information. And not just about specific products or brands, or indeed their competitors, but about broader moods and trends, and what may be around the corner that needs preparing for now.

"There's a growing demand for marketing strategy to be backed by data of the kind that traditional quantitative and qualitative measures can provide, but only much more slowly," explains Francesco D'Orazio, founder of social media platform Pulsar. "Social data allows for faster response times with updates on, say, a weekly basis."

But social listening is not a panacea, he stresses. It typically needs to be used in conjunction with more traditional data sets and, "since, like fashion, social media is an expression of identity", says Mr D'Orazio, careful interpretation is required. "It's ideal for the 'what', less so for the 'why'. But it's a powerful tool, even given that social media users are, by definition, self-selecting."

However, business should not forget the rest of the internet, says Will McInnes, chief marketing officer of digital consumer intelligence agency Brandwatch. "Blogs and forums offer some of the richest conversations. You have to look beyond the mainstream social media networks now. We see companies understanding their customers better and making better decisions as a result, by listening to the whole internet," he says.

Matthieu Danielou, product manager at social listening agency

Synthesio, speaks of the rise of alternative platforms, such as Amazon commentary or TripAdvisor, with no notion of followers but which, along with consumer websites, look set to be important data sources. "Social media is not just about social networks anymore," he points out.

And the data available there is only likely to grow, even given privacy issues. "Which social media platforms are useful to what purposes is constantly changing, and the way platforms make money is increasingly based on how they qualify and use data in a way we're comfortable with," says Lizz Kannenberg, director of brand strategy at media management platform Sprout Social. "But as young people grow up, comfortable with the idea of sharing their data, there will be ever-greater access. Social listening will remain the world's largest and most open focus group."



Size matters: Facebook

Mr D'Orazio argues that Facebook is the most mainstream of the major social media platforms and so best for validation of trends. "When something is happening and starts to get to scale and is reaching more layers of the population, then that's when you'll start to see it on Facebook," he says. But it's also more personal than, say, the comparatively more professional realms of LinkedIn and Twitter.

Facebook is unusual in offering data analysts useful tools. Its social graph tool, for example, can help brands create more personal communications, especially if your brand

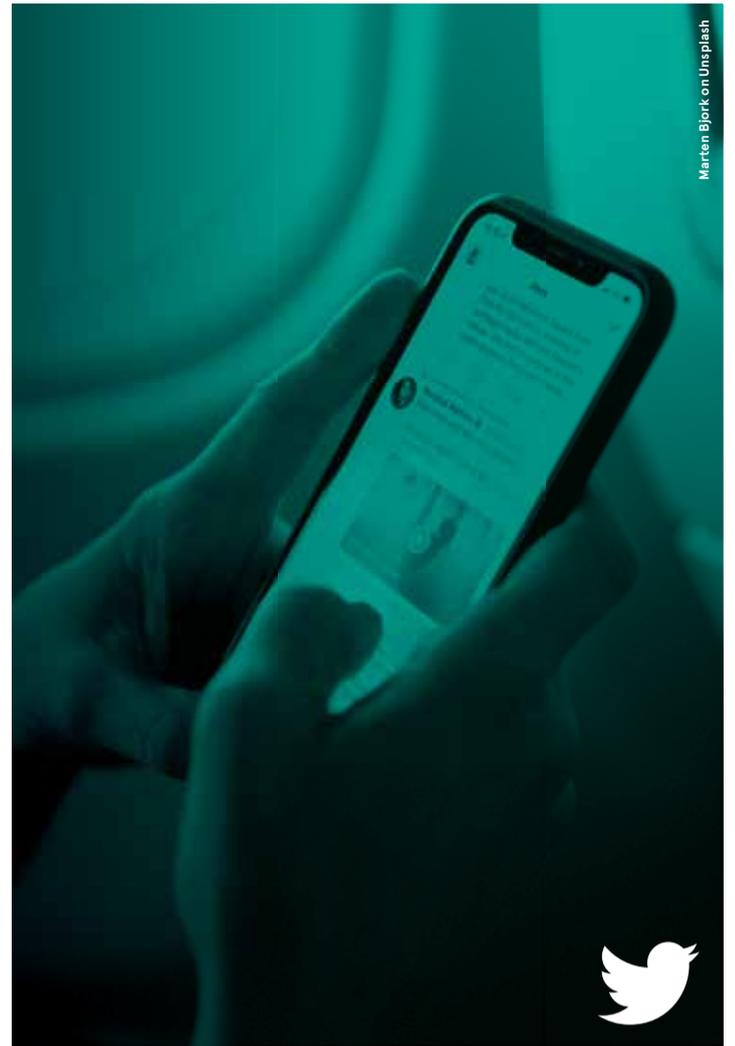
audience is largely in the over-55s demographic who are now joining Facebook in large numbers. "That said, if you're looking to attempt a customer sentiment analysis of Generation Z, then Facebook probably isn't the place anymore," he adds.

Wesley Mathew, UK head of marketing for media intelligence provider Meltwater, also says its utility has to be viewed with circumspection since the Cambridge Analytica scandal reduced outside access to only publicly available pages, as it did for Facebook-owned Instagram too.

Certainly you might ask if Facebook is losing its overall value

to brand monitoring? "There's no doubt that people are somewhat annoyed with it now and many are migrating to other platforms," warns Magdalena Urbaniak, brand manager of social media listening platform Brand 24. "But the fact is that it retains billions of users, so even if it loses millions, it remains important."

Mr McInnes describes Facebook as good for "broad brush-stroke insights" and "confirming a hypothesis". But if you're "looking to gain understanding from social listening, Facebook is not the place to go now, and I can't see that changing", he says.



Expertise and profile: Twitter

Twitter's main strength is that its users often have both expertise and public profile, so allowing social listeners to track the creation of a new trend, or perhaps TV show or political party, and as with forums more broadly to take the temperature of public opinion and thinking. This, as Mr Danielou notes, makes it less a conduit for social listening as for customer care management, for a brand to improve understanding of its reputation.

"It's still the most important platform at the moment for social listening and I don't see that changing over the next few years," says Mr D'Orazio. "Even if you're launching a really boring product in a really boring industry, you'd find value in Twitter." Mr McInnes agrees: "Its fortunes are really on the up, since Trump and rapper Kanye West [became associated with it], it's managed to find its place again in the cultural narrative."

Twitter's format of text, brevity and directness, with tweets typically focused around a specific subject, means it offers the potential for brands to gain understanding at speed, argues Ms Urbaniak.

But it's not all good. Twitter has varying appeal across nations. It's huge in Japan, for example, but barely resonant in Germany. Its data is comparatively expensive and it's not a big platform, at least not yet.

"Twitter has a lot of trolls too, so there's always room for a conversation to spiral into insult, which without manual analysis can skew the data," warns Mr Mathew. "Seeing a massive spike in negative sentiment doesn't necessarily reflect the truth so much as the work of Russian bots perhaps."



Lifestyle insight: Instagram

Given Instagram's content remains largely visual, focused on people's tastes, aspirations and interests, its value is chiefly in providing soft data for the analysis of lifestyles, especially to brands for which aesthetics is a key factor.

It's "soft" because while that analysis can be fine-tuned, across different demographics for example, it is limited to doing so by hash-tag or comment, although the next five years are likely to see machine-learning tools allow analysis of the content of the pictures themselves. And because images are so rich in their content, this will afford qualitative insights of an audience on a quantitative scale.

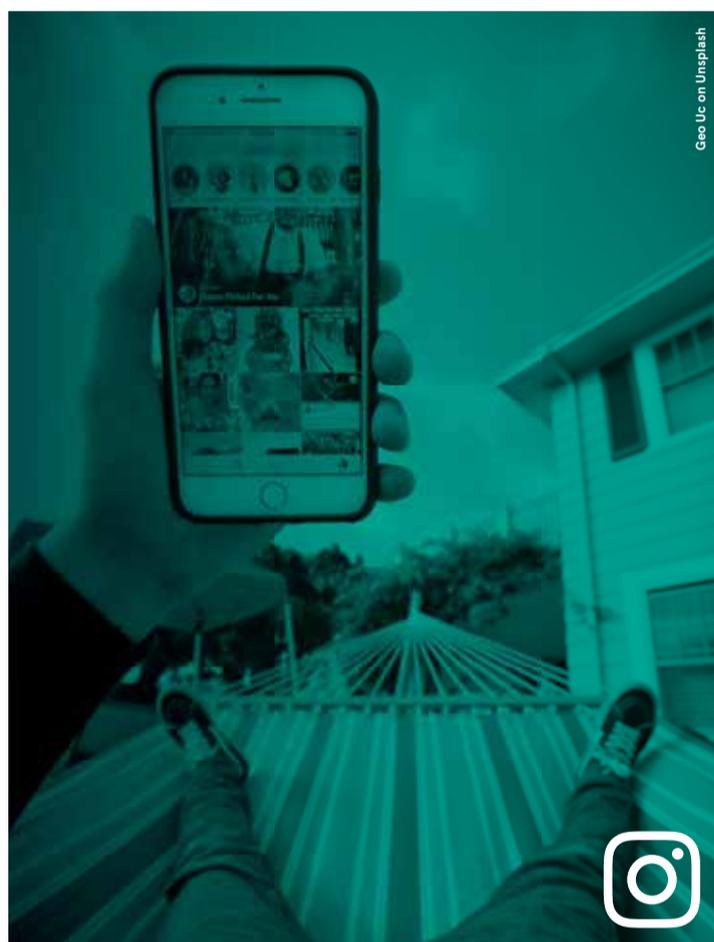
Shifts in the way Instagram is being used are also now adding to its utility for social media monitoring. Ms Urbaniak cites a trend for users "getting bored with

'beautiful', curated content in favour of content closer to real life and that's providing data which gives a more honest picture".

Instagram's user base also leans towards the 18 to 29-year-old age bracket, who don't necessarily have the biggest spending power, but are certainly among the most influential in terms of trends.

"For understanding what makes the youth market tick it's important. But don't expect an in-depth analysis of, say, how the customer feels about a specific product, of a kind that can be used to improve the customer experience, which is what social listening is really all about," she says.

"Yes, even limited insights from the analysis of the public pages of brands can help benchmark your own brand, but Instagram is not a place to find your next breakthrough idea," argues Mr McInnes. "Marketers like it because it's part of the Facebook stable. But it's really a shallow side dish to accompany a main."



Industry focus: LinkedIn

The social listening of the Microsoft-owned LinkedIn is beneficial if the aim is to understand what's driving the conversation in a particular industry, making it an especially important tool for business-to-business brands.

"LinkedIn does get a mixed reaction, but it's where the business audience is, especially since it doesn't yet seem to have a decent rival," says Mr McInnes.

"A number of pundits have said LinkedIn is the place to be as a business-to-business marketer, even if much less so for social listening purposes," says Mr Mathew.

That's because, given LinkedIn provides no access to third-party providers, it necessitates a manual, as opposed to automated, and costly process of working through its data.

"Industries are increasingly getting very specific about the platforms they're interested in because there's an understanding that not all platforms are useful to all industries," notes Mr D'Orazio. "They're focused and with good reason; they know where their audiences are. There's an assumption that monitoring one platform provides insufficient data, but it's more a question of how that data is interpreted." ●

Delivering new insights with data science and market research

Businesses want to see the full picture of their customers' buying motivations, but their vision can be blurred by a disjointed insight industry. Bringing together the "what" and the "why" of customer behaviour is the only way to create clarity

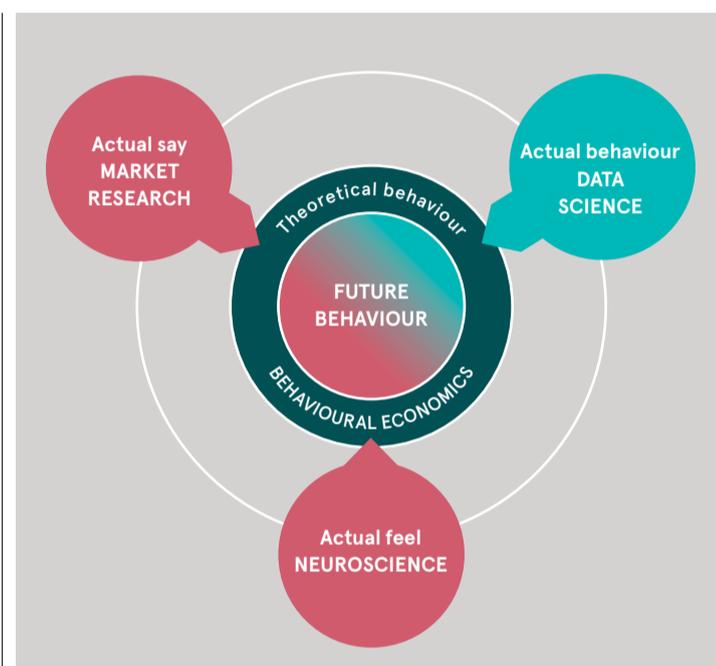
A true vision of the customer mindset is essential for any company in interpreting what will be purchased and why. As businesses compete for popularity in a demanding economy, the ability to explain, predict and influence customer behaviour is crucial to creating stronger relationships and successfully developing products and campaigns.

This requires a combination of data science to understand what people are doing, alongside market research, neuroscience and behavioural economics to discover why. Joined up, this insight provides enhanced understanding, enabling businesses to make better strategic decisions.

"This approach is now becoming a top priority for clients," says Jane Rudling, managing director at Walnut Unlimited, the human understanding agency. "For some time, companies have utilised data analytics and market research in silos, but they are now entering a new phase, desiring that their insights are blended to achieve true behavioural understanding."

Stephen Welch, joint managing director at the specialist data science firm Realise Unlimited, adds: "Companies will often have lots of sales data that details customer behaviour. When a customer makes a purchase, in isolation it may indicate that the customer is positively engaged, but in reality, they may have had a negative experience or disliked their purchase. Without a holistic view of the complete experience and a better understanding of that customer's motivations, a brand cannot truly predict future activity."

“Companies have utilised data analytics and market research in silos, but they are now entering a new phase, desiring that their insights are blended to achieve true behavioural understanding



The move to combine data science and market research is a substantial change in practice. Businesses have long relied on metrics such as satisfaction scores and customer segmentations which do not tell the full story of a customer's journey. The future of insight, therefore, involves adding layers of data analytics to neuroscience and market research, so companies can operate more strategically.

But while the end-goal is highly desirable, many businesses struggle to get there because they do not have the capabilities or resources in-house or because the agencies they work with rarely offer both analytics and research capabilities.

"Companies are effectively trapped by not approaching this from both sides, instead running simple surveys or demographic profiles in isolation. When they introduce advanced analytics, and blend research, new and existing data, and behavioural economics, they can see why customers really think, feel and act the way they do," says Dr Welch.

This was the case for one large insurance provider, which had operated on the assumption that a customer who is more likely to recommend it, based on net promoter scores, would be more likely to stay. In a recent bespoke study, we found this was not the case. Rather, overall pricing and subsequent renewal price hikes were making customers switch provider.

By merging business data and recommendation data with market

research, the insurance firm discovered that recommendation was a stronger indicator of cross-sales potential: the higher the recommendation score, the more inquiries that customer had for other products and services in the first two years of tenure. These were powerful and valuable insights for the customer insight and marketing teams to generate sales opportunities, predict lifetime value, mitigate churn rate, and increase cross-selling and repeat purchase rates.

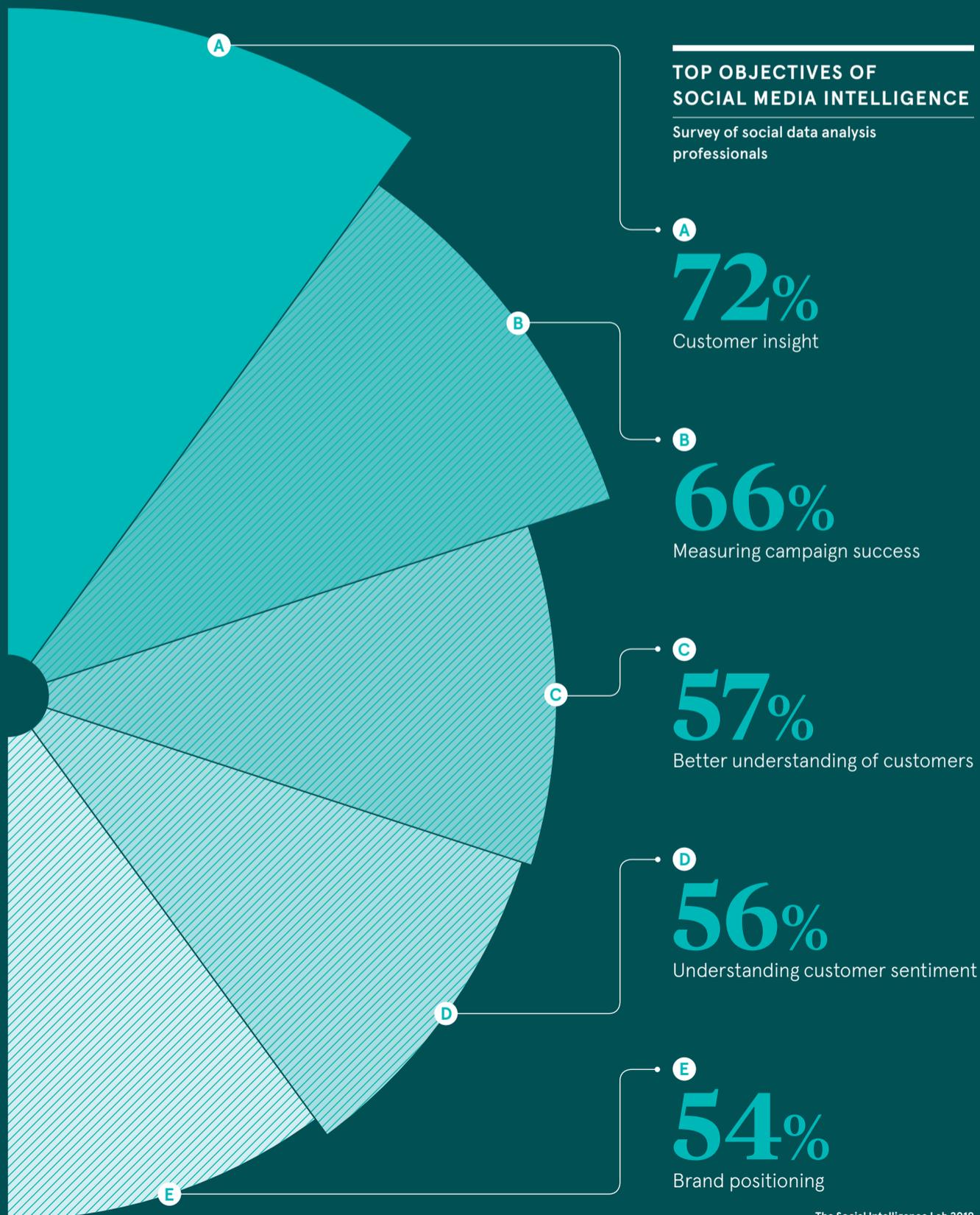
The close relationship and expertise of Realise and Walnut Unlimited, as sister agencies in the Unlimited Group, allows for this seamless blending of data and research. The combined services help businesses understand customers, enhance marketing and communications, and facilitate personalisation of products, enabling profitable change. The route to doing so is joining together the "what" and the "why" of behaviour to secure strong lifetime value.

To find out how to bring advanced market research and data analytics together for actionable customer insights please visit:
walnutunlimited.com
 or realiseunlimited.com



SOCIAL INTELLIGENCE

Companies of all sizes are increasingly relying on data from social networks to gain a deeper understanding of their customers and markets



The Social Intelligence Lab 2019

45% Hootsuite/We Are Social 2019
of the world's population are now social media users, which equates to 3.5 billion people

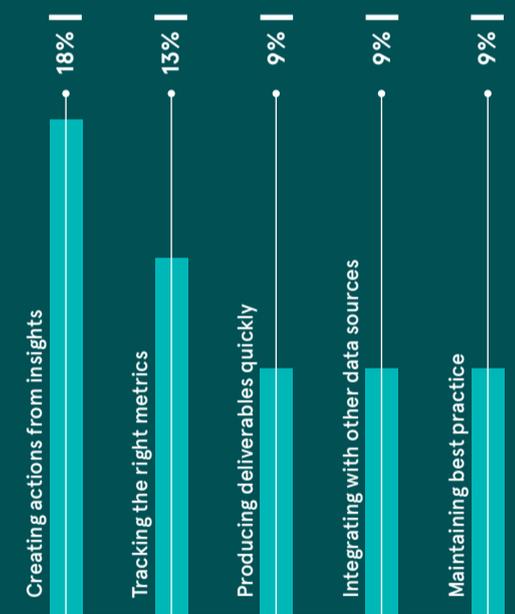
80% The Social Intelligence Lab 2019
of social data analysis professionals agree that social data provides unique insights that cannot be obtained from other data or research sources

50% Hootsuite 2019
of companies agree that the need to personalise content and experiences is a key challenge

DOES SOCIAL INTELLIGENCE MEET EXPECTATIONS?

Survey of social data analysis professionals

WHY IT EXCEEDS EXPECTATIONS



WHY IT MISSES EXPECTATIONS

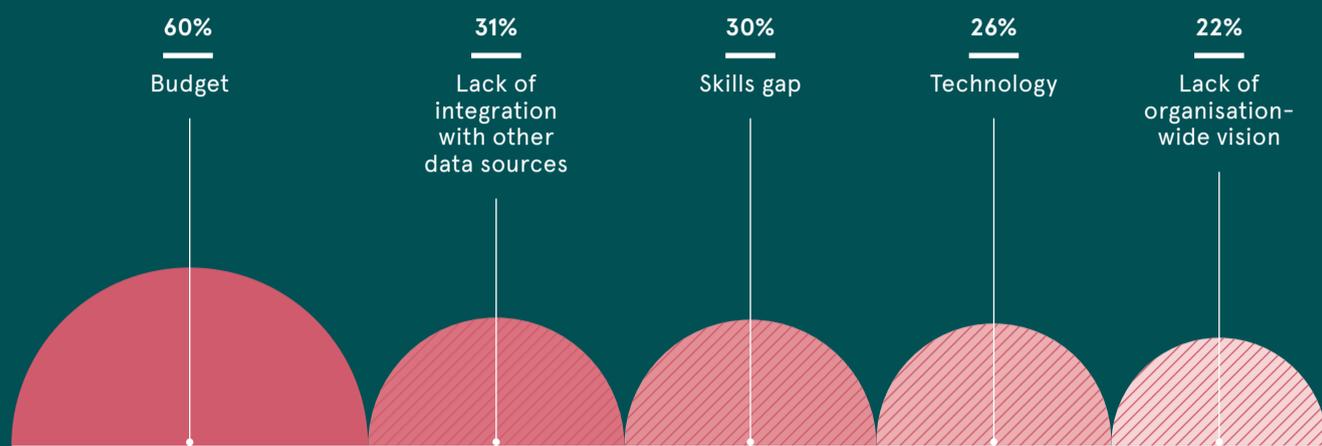


The Social Intelligence Lab 2019

TOP CHALLENGES WITH SOCIAL INTELLIGENCE

Percentage of social data analysis professionals who believe the following are a challenge when developing social intelligence capabilities

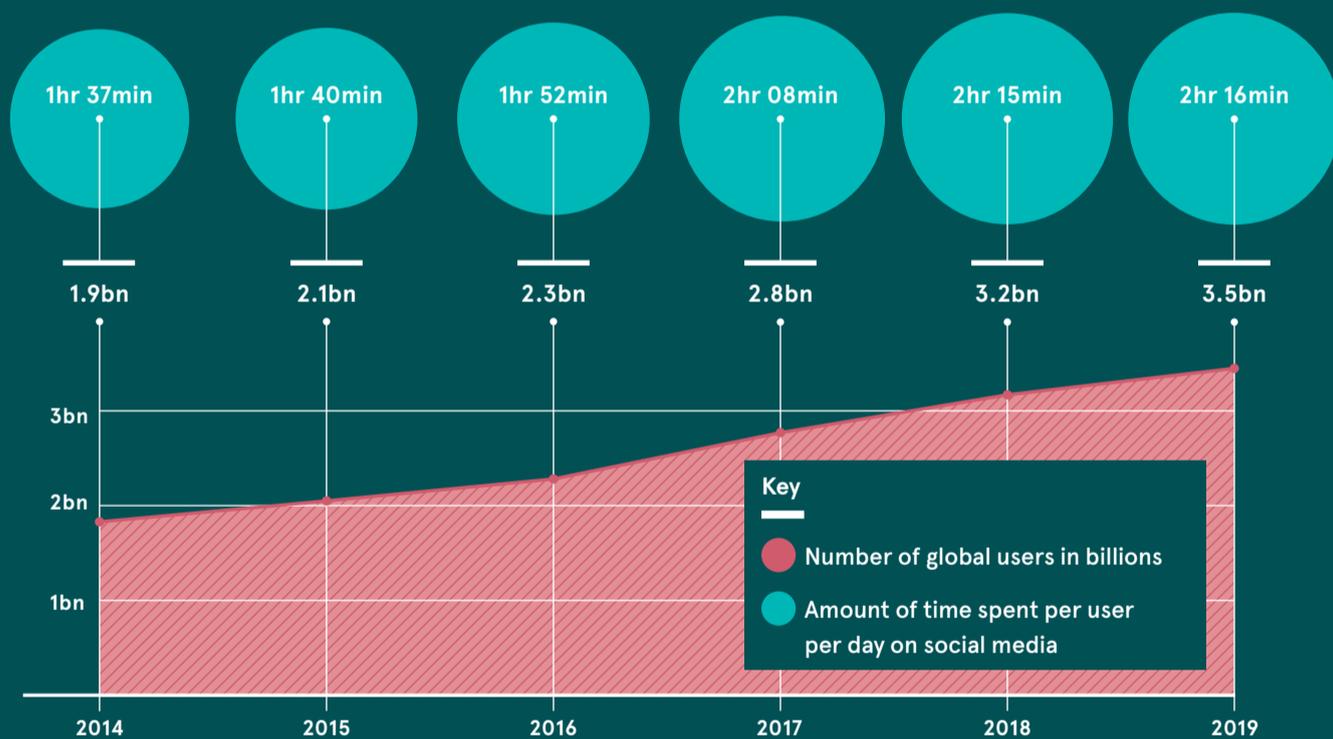
The Social Intelligence Lab 2019



GLOBAL GROWTH OF SOCIAL MEDIA

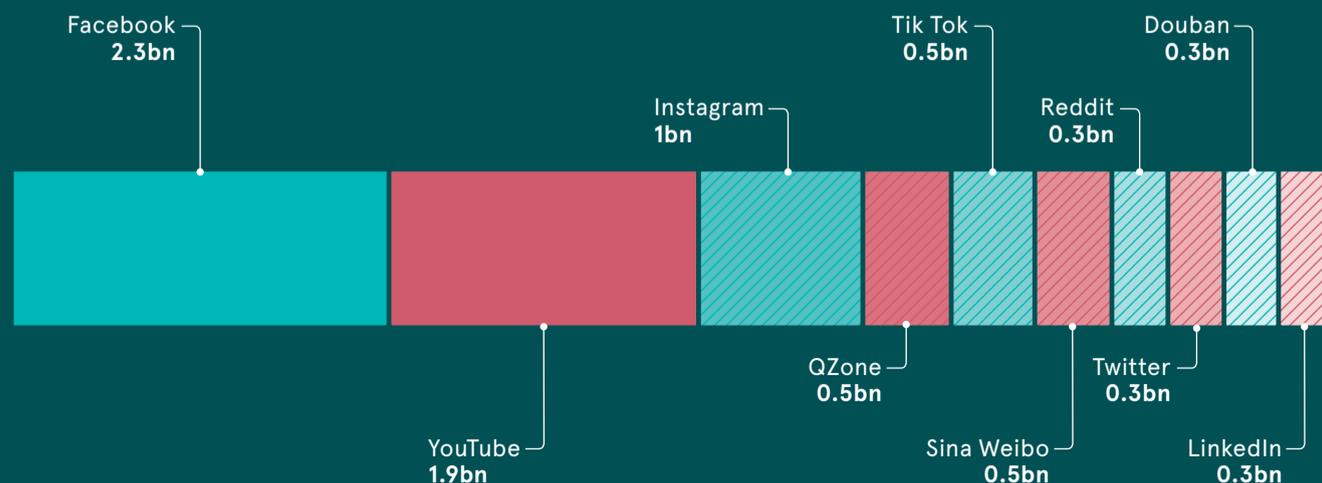
Survey of social data analysis professionals

Hootsuite/We Are Social 2019



BIGGEST SOCIAL MEDIA PLATFORMS

Number of users by April 2019 (billions)



Statista/Various sources 2019

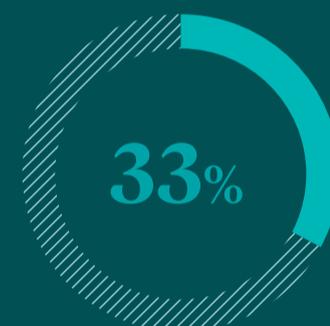
SOCIAL MEDIA ENGAGEMENT



visited or used a social network or messaging service in the past month



actively engaged with or contributed to social media in the past month



of all Facebook users are under the age of 24, based on advertising audiences



average number of social media accounts per internet user



of internet users use social media for work purposes

Hootsuite/We Are Social 2019



Keeping an eye on consumer behaviour

Eye-tracking technology is viewed as one of the best ways to know what consumers want to buy

Retail is changing faster than ever. Where we shop, when we shop and how we shop have transformed in a short time, creating a huge array of options for time-poor consumers.

The well-documented move to online shopping has been followed by further innovation such as subscription models, with brands like Dollar Shave Club offering alternative ways to buy essentials, in this case razors. All this at a time when consumer attention is hard to capture. So how can brands make sure they aren't getting left behind?

In this increasingly complex market, insights are key. At the forefront of the move towards better consumer knowledge is eye-tracking, a technology and methodology that goes into the mind of shoppers to give brands an unbiased view of how their products are being engaged.

"These days business decisions are often data driven, based on information from sales, loyalty cards, self-reported survey responses or click-through rates," explains Jon Ward, head of research and director of Tobii Pro, a leader in eye-tracking solutions that also conducts marketing research on behalf of brands. "Companies need to dig deeper to make properly informed decisions. They need to understand the

underlying behaviours that drive people to make purchase decisions."

Eye-tracking is the process of measuring eye movements to understand where a person is looking, what they are looking at and how long they gaze at a particular spot. An eye tracker is either mounted on to a computer or into wearables and uses invisible near-infrared light, high-definition cameras and advanced algorithms to record eye movement. The data can be viewed live, replayed or exported for further analysis.

"The fantastic thing about eye-tracking is that it gives you insight into every single decision, customer journey interaction and consideration," says Mr Ward. "We can track people at the shelves, tills, at home using a screen or when they unbox or use their purchases. It's about understanding the way someone perceives the world, and then how that can be used to create better experiences and meet customer aims."

Of course, while the retail landscape is transforming, so too are the mindsets of those doing the buying. Millennials have been followed closely by Generation Y and Gen X, who have an entirely new set of purchasing drivers that often include ethics, environmental messaging and health.

"We're in an incredibly different space and time than we were even three years ago," explains Mr Ward. "Things that worked back then don't work now. People are susceptible to social media, digital content and personalised experiences. Brands making assumptions about people based on data from five or ten years ago run the risk of falling behind."

Understanding customer drivers and behaviours can help brands to come up with solutions for the exact products

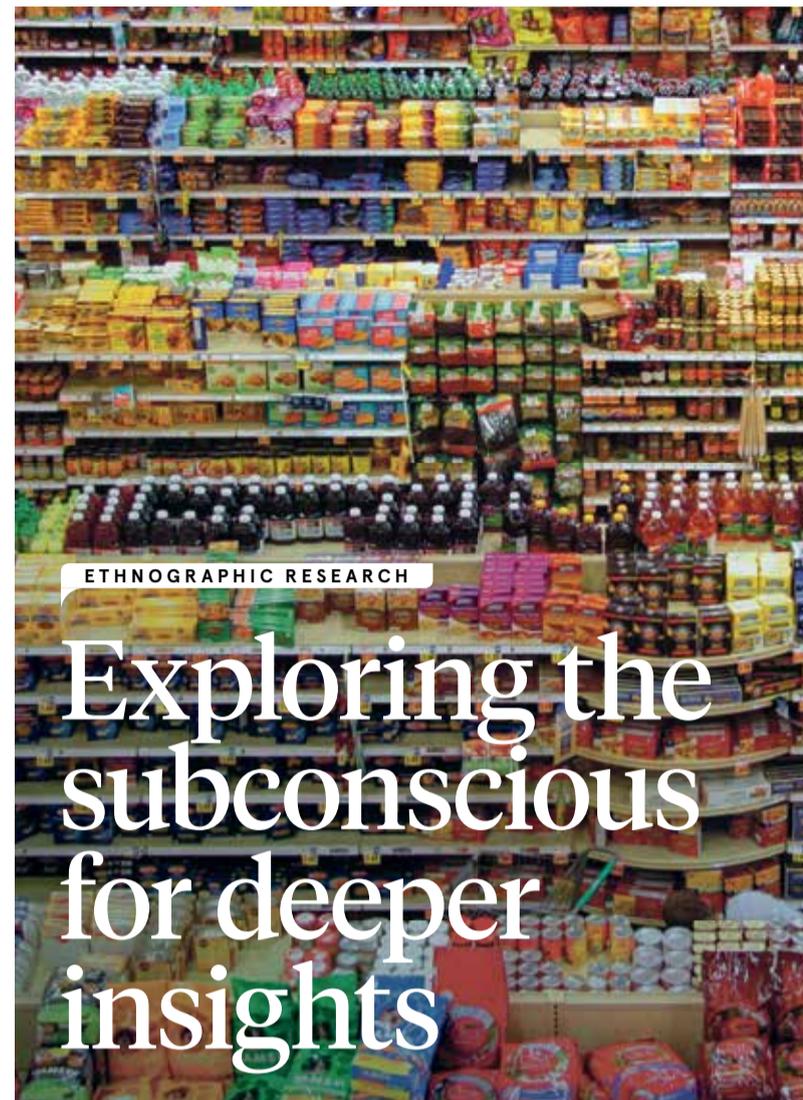
they're testing. But those insights can also be applied across the whole business. "The product in question will be better, but so too will future products," says Mr Ward. "If design mistakes aren't made, it can have a huge impact, shortening development time and reducing the risk of failure and expensive remakes post-launch."

The competitive advantage offered by eye-tracking comes back to the unbiased insights gained by going straight to the source. Other forms of customer testing require people to remember their exact actions and reasons for doing things, when many parts of a decision process are unconscious. The ability to see the world through a customer's eyes, while they're experiencing your brand, creates the most natural, uninterrupted experience and unbiased insights.

"Author and branding expert Martin Lindstrom once pointed out that if you wanted to observe animal behaviour, you wouldn't go to the zoo, you'd go to the wild," says Mr Ward. "This is a good way of looking at what eye-tracking can provide marketers that no other methodology can. If you capture insight the most naturalistic way possible, you have the best data to make better informed business decisions on design, placements and marketing investments. That is what makes companies win in their category today and the underlying principle for winning in the future."

For more information please visit www.tobii.pro

tobiipro



Tools such as eye-tracking software and brain scans can help companies cut through the noise to delve into the subconscious mind of the consumer

Mark Frary

We are increasingly living in a world of belief-driven buyers, where two thirds of people will boycott a brand if they do not like the company's stance on social or political issues, according to a worldwide study of 8,000 people in late-2018.

Yet what people say and what they actually do are very different, which is forcing brands to explore technologies such as eye-tracking software, brain scans and reaction-time studies, and using ethnography for marketing and consumer research.

Phil Barden of decode marketing says: "When you use a methodology of self-reporting, other biases come in, such as social desirability, how people portray themselves and what respondents think the researcher is trying to get at. That is why we typically use implicit tests using reaction time."

"We know there is a big difference between what people say and what people do. If you ask 'Are you a racist?' guess what they are going to answer."

While companies are increasingly using ethnographic market research techniques, they have yet to go truly mainstream.

"It is about not just understanding what people are doing, but

understanding why they are doing it," says Mr Barden. "If someone is fixating on a certain pack in a supermarket, is that because the pack stands out, is it their favourite brand or are they confused and staring at the pack trying to work out what it is? You may need another level

“The subconscious mind makes 95 per cent of our decisions, so tapping into that is how you drive behaviour change**”**

of understanding and things like eye-tracking software, implicit testing and reaction-time testing can help companies get the full picture."

Neurons Inc has worked with companies including IKEA and Visa on ethnographic market research to get beyond what they can learn from

95%

of purchase decision-making takes place in the subconscious mind

<https://hbswk.hbs.edu/item/the-subconscious-mind-of-the-consumer-and-how-to-reach-it>



traditional methods, they underestimate how people respond. Neuroscience methods have been helpful in understanding the basis for their decisions.”

While eye-tracking software is popular, it is not the only tool that companies are using to carry out ethnographical studies.

A company called Neuro-Insight, founded by cognitive neuroscience researcher Professor Richard Silberstein, has worked with big brands, such as Coca-Cola, Facebook, Samsung and the BBC, and uses a technique called steady state topography (SST). In this, subjects wear a cap, with felt sensors soaked in salt water, similar to that used in EEG scans.

“With EEG, because brains work at different frequencies, you get a lot of noise,” says Neuro-Insight’s UK chief executive Shazia Ginai. “With SST, they also wear a visor and in the periphery there is a flickering light which creates a signal in the brain and we track that signal. With EEG, you just look at the peaks. With SST, we look at the speed at which an area reacts to that signal quickest.”

One area of particular interest is a point at the back of the brain that looks at emotional intensity. “If you feel strongly about something, you will say I need that,” says Ms Ginai.

“We also measure visual attention – how stimulated your visual cortex is – which is very interesting when you look at the digital space. When people scroll through their feeds, it is useful to know that they are visually stimulated and whether this goes into their memory as well.

“The subconscious mind makes 95 per cent of our decisions, so tapping into that is how you drive behaviour change. We look at a lot of subconscious responses to advertising and communications. The key part we look at is the area of long-term memory encoding, about

what drives your future actions or behaviour change.”

Neuro-Insight worked with frozen food company Bird’s Eye on its adverts. The research, using SST, revealed that television adverts which showed the product in freeze frame were far better than those that did not. One of the company’s ads for frozen fish that used this insight led to a 7 per cent increase in market share.

Among the latest innovations in ethnographic research is combining eye-tracking software with virtual reality (VR).

Eye-tracking software consultant Tobii Pro conducted a survey for out-of-home advertising company JCDecaux at Heathrow Airport. Subjects were given a VR headset and experienced a journey around a virtual terminal.

The study looked at how many of the company’s display screens that passengers were exposed to, the number of ads they saw and how long they looked at them. It found that dynamic ads encouraged significantly more engagement than static ads, holding passengers’ attention for longer.

Tobii has also carried out eye-tracking research into TV commercials in seven US cities. Among the findings were that attention to ads declines over the course of the commercial break, micro-ads of five to ten seconds are very good at keeping viewer’s visual attention and classical music is far better than a brand-specific jungle at keeping viewers engaged.

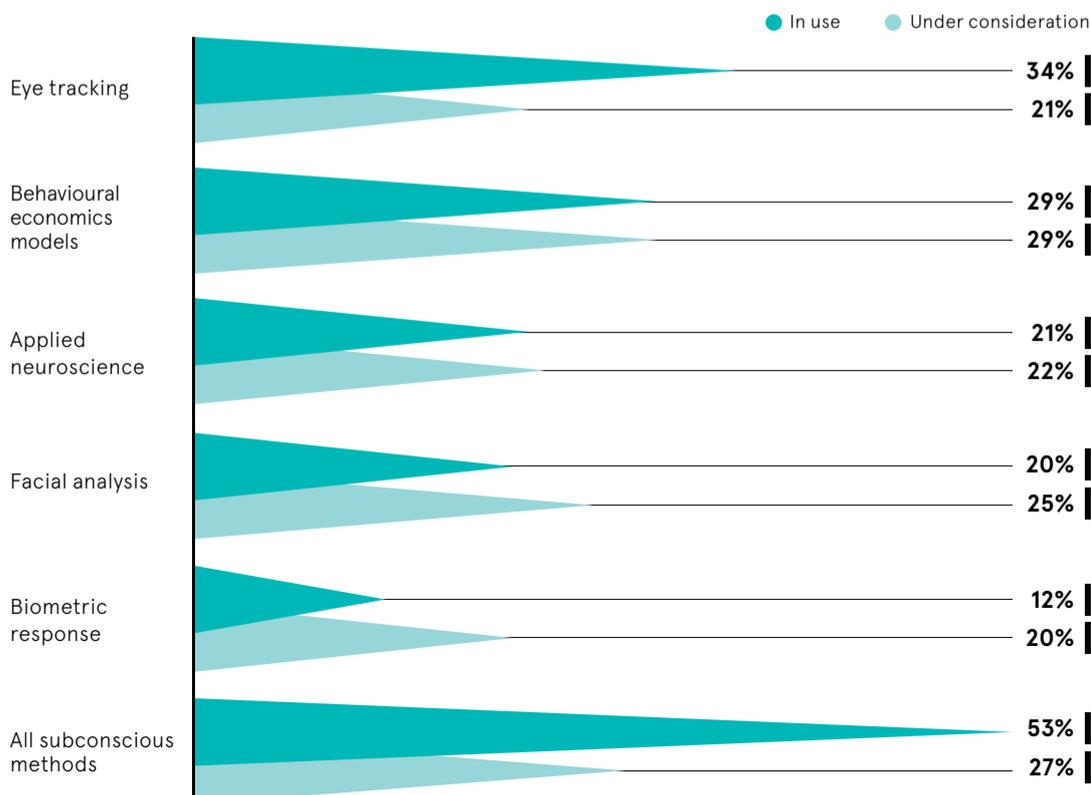
In a world where brands are engaged in an increasingly competitive fight to get noticed, eye-tracking software and other tools that can get insights into the subconscious are only going to become more popular. And when self-reporting is clearly not reflecting the real world, brands that adopt these techniques will flourish. ●

traditional focus groups. They use electroencephalogram (EEG) brain scanners to delve into the mind’s inner workings.

Thomas Zoëga Ramsøy, founder and chief executive, says: “These companies are interested in testing out new concepts and prototypes, and they can’t use mature metrics to understand how people respond to a new solution. By using

MOST POPULAR SUBCONSCIOUS RESEARCH METHODS

Percentage of market research suppliers and clients who are using and considering the following



Greenbook 2018



VISIONARIES use video feedback

to build great
brands, products,
and experiences

Find out why at
voxpopme.com





BEHAVIOURAL SCIENCE

Understanding the science of decision-making

Exploring why we behave the way we do can unlock key customer insights for brands and have a significant impact on the bottom line

Virginia Matthews

Sceptics may dismiss it as a trendy methodology born of the hippy 1960s, but behavioural science in market research has never been so influential, according to author Richard Shotton, behavioural science head at Manning Gottlieb OMD.

"In an industry like marketing, where personal opinion and gut feeling continue to inform decision-making at the highest level, the academic, peer-reviewed, scientific rigour offered by behavioural science is a very welcome addition," he says.

Despite it having roots dating back to the 1890s, Mr Shotton believes a finely honed "nudge" in the right direction

is an approach which demonstrably works for both public policymakers and commercial brands.

"When it comes to understanding why we behave as we do in a retail outlet or on a website, researchers are increasingly looking to classic behavioural science to provide them with the most important clues," he says.

Yet while he agrees there may be a degree of cynicism among clients, particularly those who "haven't yet got to grips with behaviour biases", Mr Shotton believes "dismissing behavioural science as a pseudo-science is very wide of the mark".

To Colin Strong, global head of behaviour science at Ipsos MORI,

the apparent schism between commercial data science and academic behavioural science is driven more by the search for competitive advantage by research houses than genuine differences in philosophy.

"Traditional market research has always had its foundations in psychology and far from viewing the two approaches as being oil and water, at MORI we include both in our work as a matter of course," he says.

Although some market research practitioners are, he says, "keen to highlight their expertise in understanding subconscious triggers or different personality types, applying behavioural science to market research is one of a number of key methodological tools at our disposal".

Whether the brief is to encourage consumers to try a new app, buy more of a "hero" brand or switch to a new service provider, triggering behavioural change is fundamental to all marketing campaigns, says Mr Shotton.

"One of the great things about behavioural science is that it's practical, not abstract, and there are many hundreds of examples of it

being successfully applied to advertising," he points out.

While what he calls "the science of decision-making" nowadays appears more frequently in client briefs, he argues that its status in the boardroom can and should be higher.

"Whether it's Nespresso's brilliant use of price relativity or Marmite's ability to make lots of money out of the fact that some people hate the stuff, its impact on the bottom line is there for all to see," he says.

But, despite behavioural science having a long and distinguished

pedigree, Mr Shotton agrees there can be problems in adapting it for the modern commercial world.

"As with all the sciences, the findings of behavioural science experiments cannot always be replicated across different situations and if that's the case for you as a researcher or client, you simply need to concentrate on the most helpful cases and ignore the rest," he says.

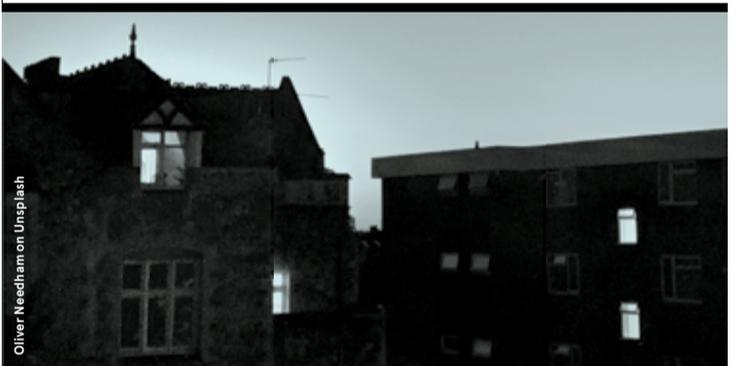
However, when it comes to behavioural science or economics not being applicable to capitalism in 2019, his rebuttal is swift: "Applying its core principles will help you sell a new washing powder brand just as effectively today as it would have done 50 years ago."

While the structured data inherent in much large-scale commercial research may appear an unlikely match for the wide-ranging insights offered by behavioural scientists, the two disciplines increasingly work in harmony, Mr Shotton believes.

"It's true that one field tends to attract computer scientists, while the other tends to be jam-packed with social science professionals. But number-crunching of hard data gleaned by surveys is not now and never has been enough when it comes to creating an effective brand marketing strategy," he says.

With public policymakers now convinced that a nudge in the right direction can persuade the most entrenched of us to switch to cigarettes or buy into a workplace pension, the predictably unpredictable nature of human behaviour continues to fascinate researchers.

"What's clear," says Ipsos MORI's Mr Strong, "is that each different technique can give market researchers unique insights, but no one discipline has all the answers we need." ●



Case study: Energy switch

UK energy markets may have opened up to competition, but many consumers remain disengaged and continue to pay significantly over the odds for their gas and electricity.

Together with energy regulator Ofgem, the Behavioural Insights Team (BIT) or Nudge Unit, formerly owned by the government, but now quasi-independent, launched a large-scale trial of 150,000 customers in a bid to increase switching rates.

Within 30 days of sending out a series of personalised letters, showing each household how much they could save by moving to one of three "best buys", switching rates tripled. Customers

who changed supplier after being contacted by Ofgem saved on average £50 more than those who moved to a new supplier of their own accord.

In a separate trial, an invitation to sign up to an exclusive tariff via a collective switch saw switching rates rise from 2.6 per cent to 22.4 per cent.

BIT says: "These trials have provided valuable insights into what drives effective consumer engagement, and we have also demonstrated the potential of market intervention to prompt action and help consumers make better decisions."

A similar approach is now expected to help households make savings in other regulated markets, such as telecoms, water, insurance and mortgages.



When it comes to understanding why we behave as we do in a retail outlet or on a website, researchers are increasingly looking to classic behavioural science

Behavioural science helps brands focus on insights, not data

Stop believing what consumers tell you and use a research approach to find out what is really driving their actions

Data is abundantly available in most businesses, and digitisation has rapidly increased their ability to collect it. Surveys, video dairies, social listening, online behaviour tracking, the list goes on. The challenge we all face is how to turn this deluge of data into actionable insights that will help marketing departments deliver commercial success.

Success in marketing is inevitably linked to changing behaviour: businesses want people to consume more or less of something, switch to a new brand, or change the way they think about a subject. But we can only change behaviour if we know what is motivating it. Many businesses don't truly understand the motivations of their customers and that is why they have such a hard time influencing their behaviour.

Big data alone will not deliver the answer. While it provides powerful information on what consumers are doing, when and where, it struggles to explain why. Adjacently, traditional market research, that simply asks consumers why they do what they do, will also inevitably get the wrong answer because consumers don't know.

Behavioural science-based market research gets closer to real consumer behaviour than any other approach and reveals the motivations driving current habits, so brands can influence and change them.

Sales impact

In this sphere, Emotional Logic is one of the leading providers of behavioural science-based consumer research and has conducted a study with a major UK retailer that proved simply asking consumers is ineffective.

A behavioural economics-based methodology was used alongside traditional focus group research to identify the drivers of loyalty, in this case, repeat purchasing transactions. In focus groups, consumers explained why they repeatedly came back to the retailer, citing factors such as value for money and staff expertise.

The behavioural science method then identified several other factors around how consumers felt during and after the transaction. When the identified factors were tracked against repeat purchasing, all aspects that consumers had said they wanted in the focus groups showed a much lower link with sales than the factors identified using a behavioural science approach.

On average, factors derived through behavioural science had a 44 per cent stronger impact on repeat sales transactions, proving this approach gets us closer to real behaviour and results.

A behavioural scientist understands how consumers process information and subsequently how they behave and react. This is different to how consumers think they react.

Consumers think they want an orderly and simple product shelf, yet eye-tracking reveals they spend more time engaging with the messy shelf that has not been restocked properly. They say they are worried about plastic packaging, but then overwhelmingly choose the plastic bottle in choice experiments.

Applying a behavioural science approach means to stop simply believing what consumers are saying and to research for evidence of what is really driving their behaviour.

Emotional Logic has worked with clients, such as Jaguar Land Rover, Unilever and the British Heart Foundation, to cut



through the noise of consumer opinions and find the root cause of the behavioural shift they wish to achieve.

Beyond system 1

For many people, behavioural science is synonymous with system 1 thinking.

System 1 thinking, which is used to describe the fast, automatic and often unconscious reactions humans have, is the current buzzword of market research with many agencies suddenly adding implicit research tools to their suite. There is a real danger that after years of focus on mostly rational or system 2 thinking, we now go too far the other way and think unconscious emotions and system 1 thinking are the answer to everything. Actually, they aren't.

The conscious mind still has a say; you can use emotive advertising and exciting packaging to ramp up consumer desire, but if the conscious mind says it's too expensive you will still lose the sale.

Human beings actually switch seamlessly between unconscious, emotional gut reactions of system 1 and the logical step-by-step thinking of system 2. Both are essential for decision-making. So instead of focusing on one or the other, what about understanding how they work together to reach a decision? For more than a decade Emotional Logic's research delivery has achieved just that.

Each of Emotional Logic's research solutions combines traditional research techniques with tools from neuroscience and psychology to ensure both system 1 and system 2 factors are accurately measured and their impact on behaviour is quantified. This approach has won multiple awards for the company and is not only more effective as it delivers a more accurate picture of real decision-making, but

it is also safer as looking at system 1 in isolation can deliver misleading results.

Actionable results

When it comes to system 1 measurements, hardly a week goes by without another new research methodology being launched. Eye-tracking, biometric measures, implicit testing; none are new, but all are redeveloped continuously.

One of the challenges many organisations face is keeping up to speed with who is the best provider and to assess which tool is best fit for what purpose. And then there are the reports. Many of us have seen the overcomplicated eye-tracking report showing 30 different "interesting" measurements only then to be stumped by what to do with the results.

Emotional Logic is methodologically neutral and experienced in the full range of established and new tools available. Testing more than 30 tools across product categories and international markets has resulted in solutions that have been honed for brand development, packaging testing, digital user experience, segmentation, communication development, in-store shopper studies and customer satisfaction. The reports you get deliver a clear set of a few key metrics which indicate direct actions.

In this research approach you find the key to achieving a stronger influence on consumer behaviour by stopping believing what consumers are telling you and actually finding out what is really driving their actions.

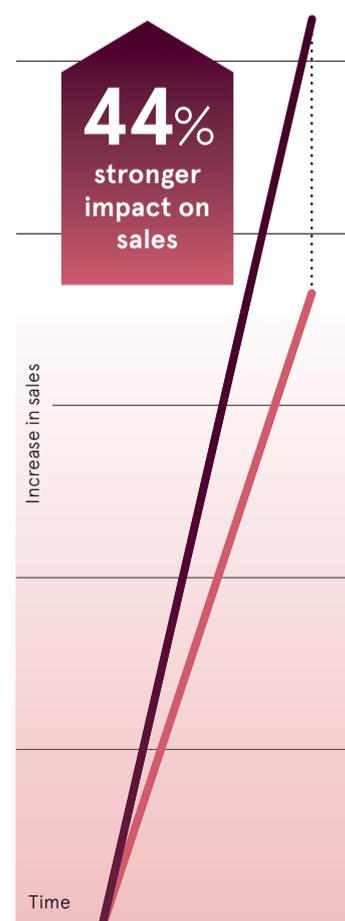
For more information please visit www.emotional-logic.co.uk



IMPACT OF BEHAVIOURAL ECONOMICS ON SALES

Average percentage increase in retail sales transaction value from implementing behavioural economics results, compared with traditional focus groups

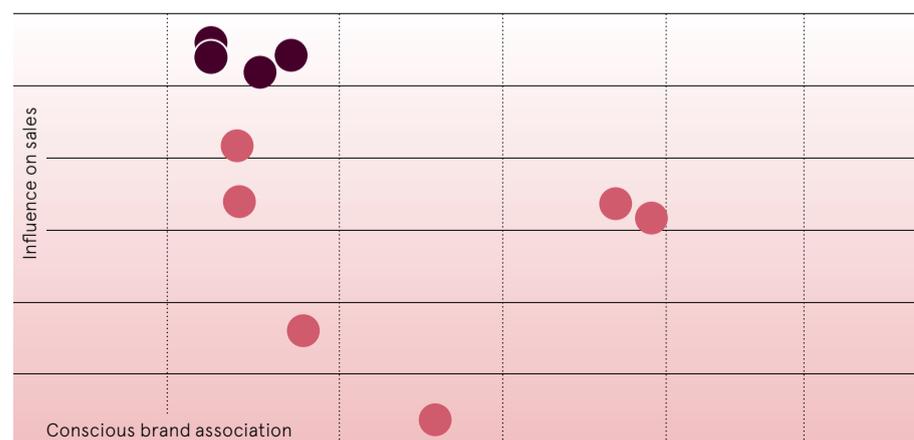
- Behavioural economics insight
- Focus group results



INFLUENCE OF BEHAVIOURAL ECONOMICS ON SALES

Brand factors identified by behavioural economics have a stronger influence over sales and are less consciously associated with a brand

- Factors identified with a behavioural science approach
- Factors stated in focus group research





Embracing the power of video data analytics

Video data analytics can provide a more accurate picture of consumers

More video content is being created today than ever before, with 400 hours of video uploaded to YouTube every single minute. Thanks to the increasing accessibility of smartphones with high-quality video capture, virtually all people have the ability to create videos of their day-to-day lives and upload them online for the world to see.

It's not just a natural way for people to communicate, with brands also being able to leverage this powerful channel to learn more about consumers and gain a genuine understanding of their real-life activities.

"The naturalness of video as a medium means that it's a frictionless way of getting feedback from consumers. Even five years ago, if you asked people to video themselves in daily life, there would have been a level of resistance to it, but this has now completely changed," says Matt Lynch, chief strategy officer of Big Sofa Technologies, a leading provider of video data analytics to global brands and tech companies. "Our

experience is that people are really engaged, saying up to nine times more in a video study than they do in a traditional survey."

While video has always existed as a way of capturing traditional market research, gaining the context of authentic, in-moment interactions and everyday language is of increasing value to brands that are used to insight from more formal settings where consumer behaviour can be unnatural.

Another major issue with previous video collection methods, where brands recorded focus groups or one-on-one interviews, is the difficulty in managing this content and analysing the data at scale. Enabled by advanced technology and the usage of wearable tech and fixed cameras, natural video can now be obtained at scale and analysed effectively to uncover actionable insights for companies.

Countless data points can be collected through digital video, including everything from facial expressions to physical actions, and then structured to be analysed in combination with other data sources like point of sale to provide a more detailed context.

"Video data analytics, the combination of capturing video using the latest digital technology, then analysing it in a structured way, allows brands to get an extremely textured and rich consumer understanding. This provides qualitative depth, but at a quantitative scale, and therefore it is a robust method of making decisions in a way that just wasn't possible before," says Mr Lynch.

Big Sofa Technologies enables organisations to capitalise on these new innovations through the use of their proprietary artificial intelligence-backed analytics and hardware solutions. In practice, this allows brands to stream and analyse real life, globally, through remote cameras in the houses of volunteers, giving brands the ability to learn through observation and identify potential needs and develop solutions.

The Visual Insight System offered by Big Sofa Technologies brings together

“

Our experience is that people are really engaged, saying up to nine times more in a video study than they do in a traditional survey

and organises a massive amount of video data, and in the process creates a space for staff in different business areas to collaborate and create solutions to real-life consumer challenges. Everyone from an engineer to marketer and designer can use this platform and the insights it generates to look at patterns within and across video data sets.

Video data analytics is only going to become a more important tool as brands begin to see the rich data that video can provide and the power of tools such as the Visual Insight System to enhance the collective decision-making and innovation process.

"Traditionally, most market research has been based on consumer recall, instead of focusing on the data directly created from real-life situations. Utilising video data analytics is vital to actually bridging this gap and accessing unconscious behaviour that consumers wouldn't usually report, ensuring brands can identify new opportunities and develop products which truly meet consumer needs," Mr Lynch concludes.

For more information please visit www.bigsofatech.com, or email mattlynch@bigsofatech.com



400hrs

amount of video uploaded to YouTube every minute

Brandwatch

9x

number of words spoken in videos compared to traditional surveys

Big Sofa

OPINION

'Machines and algorithms cannot do it all; only the interpretation and application of insight can turn it into foresight'

Good news: businesses know more and more about their customers and the environment they are operating in every day. They are acquiring data from a broader and more varied range of sources all the time and at a rapid rate. The bad news? All this is completely worthless unless they know what to do with it.

This presents a real opportunity for the market and social research sector. Intelligence is the greatest tool available for harnessing these growing, untapped assets, as long as we can reframe the conversation and demonstrate the role of insight in business success. Insight leaders must be able to speak to their chief financial officers in language they understand.

How do I demonstrate the value of marketing to senior decision-makers? How do I make the case for my department, when decisions are being made about budgets and resources? Time and time again, these were the questions I came up against during my career as a marketing and strategy director in the private and public sector.

These conversations are, of course, much harder to have the further you sit away from your finance department. Research earlier this year not only highlighted the space that exists between insight and finance teams, but the lack of perceived value attached to insight.

Only 24 per cent of respondents felt they had a close working relationship with their finance colleagues and only 19 per cent felt colleagues view the money the insight team spends as an investment, not a cost. And perhaps most worryingly, only 28 per cent of respondents felt their finance colleagues respect the contribution the insight team makes to evidence-based decision-making.

Financial and human capital have long been cornerstones of growth strategies and their measures are well established. Just because insight as an asset is harder to quantify, it doesn't mean it is less important, especially when more products are going direct to the customer and disruptions enabled by technology are becoming more frequent.

This is where Intelligence Capital™ comes in. The Market Research Society worked with agency and client-side organisations to plug this gap and provide companies with

a framework that puts research, insight and data analytics centre stage in business strategy and reframes how we seek investment in the function.

Intelligence Capital™ is made up of three elements: structural intelligence, activation intelligence and human intelligence. Structural intelligence represents the sum of what the business knows about its markets, its performance, its customers and the wider business context. Activation intelligence includes market initiatives and experiments designed to capture innovation and growth opportunities. Human intelligence connects these together by identifying new insights and applying them to markets.

We know that organisations typically find it hard to balance structural and activation intelligence and most of them underinvest in human intelligence. Perhaps, in our technology-led world, there is a feeling that the human element is becoming less important. We must counter this view. People retain, and in my opinion will always retain, an important role in delivering business success. Machines and algorithms cannot do it all; only the interpretation and application of insight can turn it into foresight.

The key is for all three elements of Intelligence Capital™ to work together. The successful application of Intelligence Capital™ creates new value in four ways: unlocking revenue streams, strengthening brand value, increasing speed to market and generating efficiencies.

Crucially, it will help companies deploy what they already know to their competitive advantage and find growth. ●



Jane Frost
Chief executive
Market Research Society

ARTIFICIAL INTELLIGENCE

Automated insights offer more than just speed

Automating insight generation is not only saving market research professionals time and money, it offers the opportunity to find patterns in data at a scale never before possible

Suchandrika Chakrabarti

According to Josh Sutton, chief executive at Agorai: “Artificial intelligence (AI) solutions are producing insights in seconds that used to take teams of people days or even weeks to produce. Early adopters are seeing financial benefits already.”

The main metrics for success are a reduction in insight time, followed by decreases in labour demands and overall expense. Mr Sutton adds: “McKinsey recently produced a report which states that over the next decade, early adopters of AI will dramatically outperform followers and laggards.”

2019 is the year that AI was tipped to take over from automation in market research, but seven months in, has AI lived up to its potential?

“We are now at a point in time that is reminiscent of the mid-1990s, when the early winners of the internet were those who identified opportunities and experimented to address business problems,” says Chris Duffey, strategic development manager at Adobe and author of *Superhuman Innovation*.

“AI is making people better at their jobs in three ways: automation of tasks that can help a person perform their job more effectively; the ability to generate insights from large amounts of data; and ability to enable interactions with technology via natural-language conversations,” says Mr Sutton.

Automation, insight generation and natural-language processing enable businesses to survey the market continually, rather than dedicating specific time, labour and money to the process.

An advantage of using AI in marketing research is the insight time involved in creating an overview of consumer needs is cut down enormously. Mr Sutton adds: “When AI is used to understand the comprehensive picture painted by all the data

available via social media, people’s movements, behaviours that can be observed and the corresponding actions taken, we are seeing firms develop insights which give them a better picture than they have ever been able to generate.”

Using AI also means data can be digested in real time. David Benigson, chief executive and co-founder of Signal AI, says this has a powerful impact. “*The Washington Post* alone publishes over 1,000 articles or news stories a day. If a human being read nothing else, they would still struggle to get through just that one newspaper. Signal’s AI reads 2.7 million sources a day and over five million documents are analysed in less than two seconds. Our clients find that two-hour tasks now take ten minutes,” he says.

Those are some very appealing numbers for companies looking to decrease insight time. But AI learns from human beings, so are there possible pitfalls for a system working at a speed so far beyond human intelligence?

“Superintelligence is a notion that is often represented in movies as an anthropomorphised robotic AI system with an exponential increase of intelligence over humans,” says Mr Duffey. “However, unlike science fic-



AI solutions are producing insights in seconds that used to take teams of people days or even weeks to produce. Early adopters are seeing financial benefits already



tion, when we talk about modern AI, we’re in fact talking about narrow AI, which means AI that’s designed to perform a task.”

It seems that while AI in marketing research is currently able to unearth, read and analyse data far more quickly than human beings, it currently lacks the creativity to deal with unforeseen obstacles in its path and change course accordingly.

“The ability to extract real insights from written comments is a great example of how AI in marketing research can improve insight time,” says Mr Sutton. “Firms that used to rely on a staff of analysts to review consumer feedback can now see key themes people care about in real time. Over 80 per cent of the data produced every day is unstructured – written feedback, photos and so on – and this data is not being used by AI solutions to provide real insights in a way that wasn’t possible without AI.”

Harnessing this unused data to create a continuous big picture of customer insights can alert marketing teams to patterns and trends sooner than traditional methods, helping firms stay on top of consumer needs.

AI is potentially a very useful tool, but it still requires extensive guidance to thrive. This trade-off is already worth it, says Mr Benigson. “At Signal, for example, clients can train the AI to their bespoke specifications in just a few hours, in effect digitising their knowledge for the long term. If you’re saving an hour a day, you’re already in credit after just a week,” he says. That’s a vast improvement on insight time using traditional methods.

When looking to the future of AI in marketing research, it’s important to understand how AI and human beings can work in harmony, each augmenting the other’s strengths.

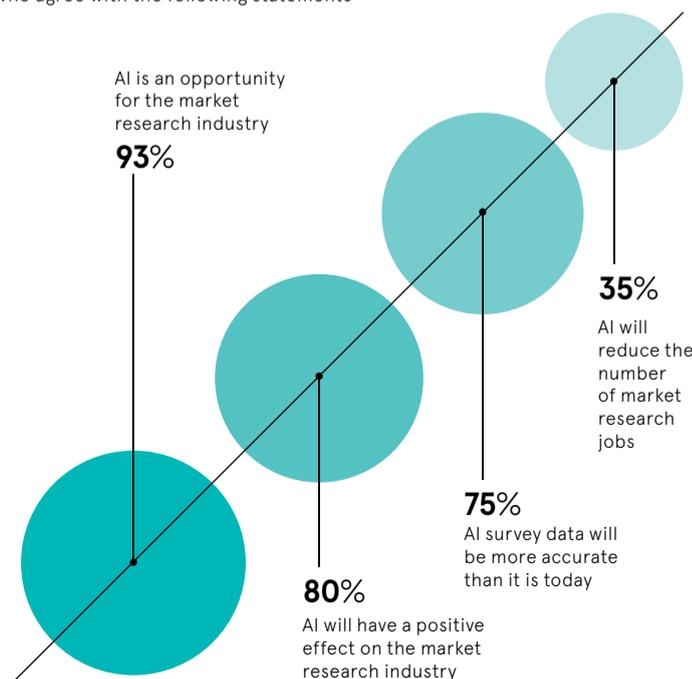
“AI excels at storing and remembering huge amounts of data and making very complex calculations based on those data sets,” says Mr Duffey. “People are extraordinarily skilled at social interactions and complex tasks, critical thinking and creativity. Keep this in mind.”

What could this combination of human and AI skills achieve? “Trained AI can also go beyond what a human can do by finding the connections in the data at a scale that would be practically impossible for a human,” adds Mr Benigson. “In effect, it can help us understand not just the known unknowns, but the unknown unknowns, the things we didn’t know we didn’t know.”

With the promise of such boundless possibility, the advantages of using AI in marketing research to reduce insight time are clear and very exciting. ●

WHAT MARKET RESEARCH PROFESSIONALS THINK ABOUT ARTIFICIAL INTELLIGENCE

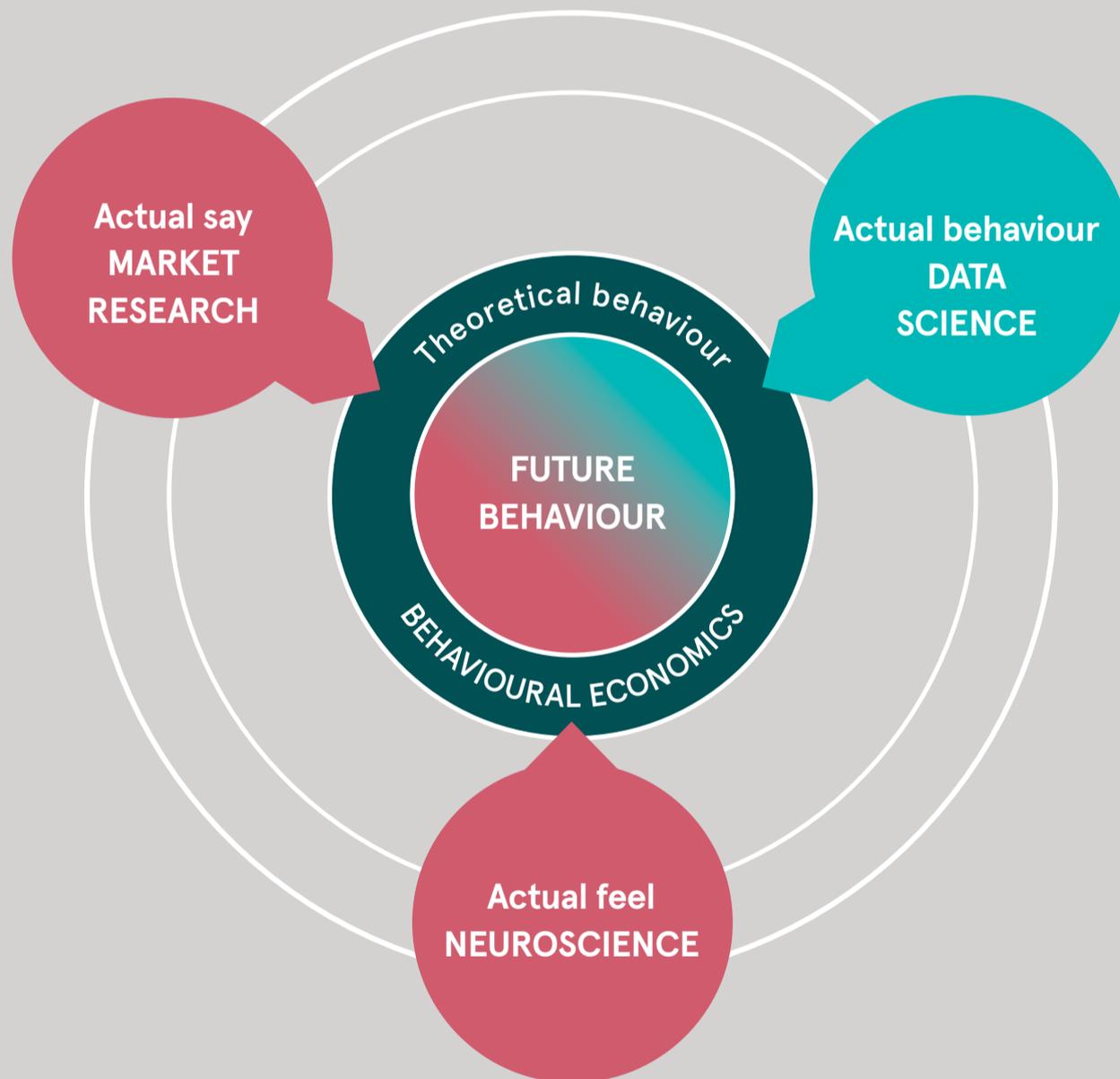
Percentage of market research decision-makers who agree with the following statements





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