

Securing the future of our industry =  
*....the science of data + the art of insight!*

A presentation to ASSIRM General Assembly  
10th December 2015  
Finn Raben, Director General

# Major Drivers of Change

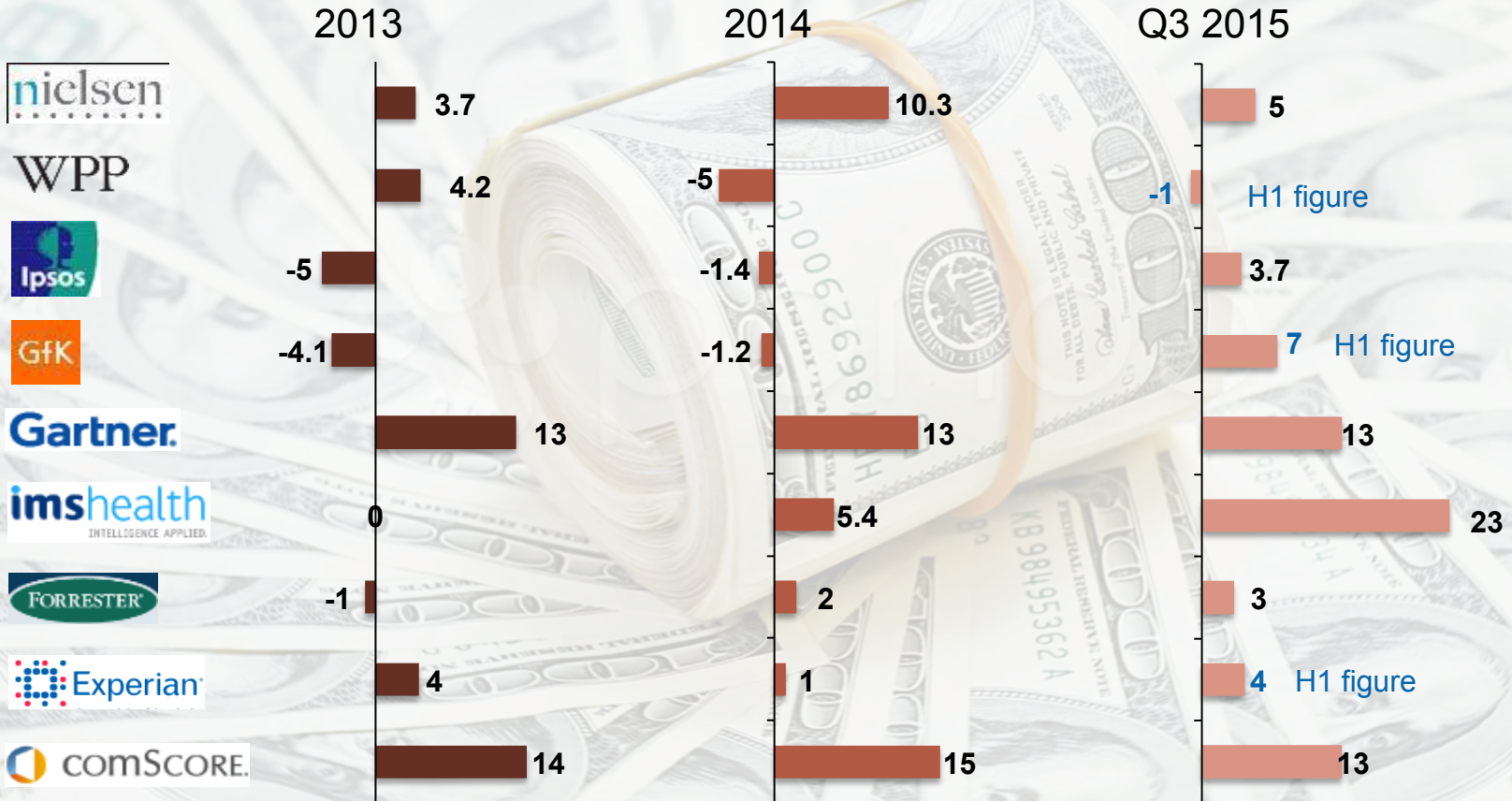
1. The changing customer data landscape (including the issue of *data integrity* – helping people know what data they can rely on and use in what situations)
2. New functions and professions are coming into *our* industry
3. The changing methodological paradigm
4. The shifting competitive landscape
5. The changing association and membership paradigm
6. The changing employment landscape
7. The macro-economic pressures
8. The regulatory environment
9. The commoditisation of market research process (and possibly a tendency for market research evidence to now be less important in driving key decisions)
10. The technological wildcard



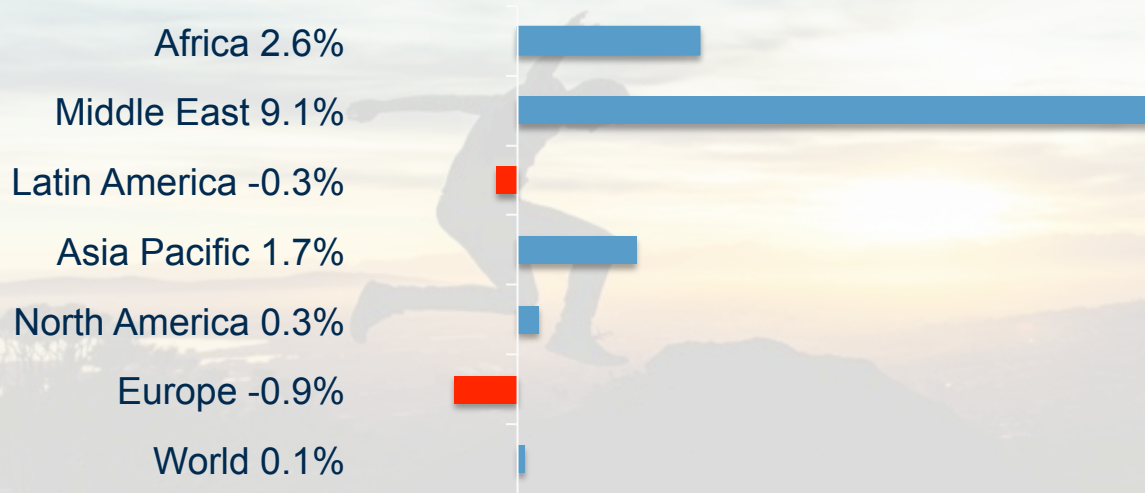


Traditional Research : USD\$ 43 Billion !!  
+2.1 % Growth  
+0.1% growth after inflation  
Extended market : USD\$ 65 Billion !!  
“New research” growing fast !

# Selected Sales growth figures – Source: Annual reports



# Regional Performance 2014 (net growth rates)



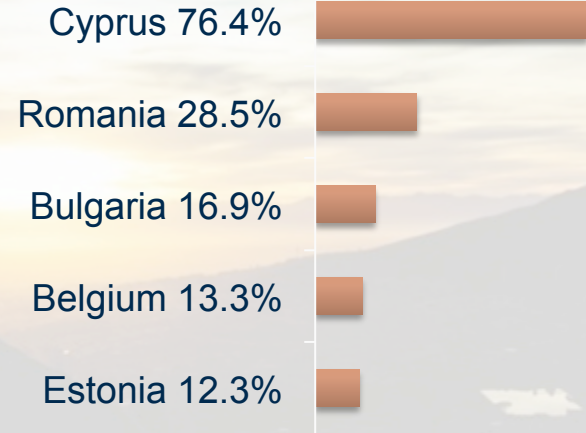
# Top 10 markets

Rank	Country	Turnover US\$m	Net growth	Global market share
1	USA	18,565	0.5%	42%
2	United Kingdom	5,239	-3.2%	11%
3	Germany	3,569	2.0%	8%
4	France	2,586	-4.2%	6%
5	China	1,780	2.7%	4%
6	Japan	1,730	-1.0%	4%
7	Brazil	754	6.6%	2%
8	Italy	742	3.1%	2%
9	Australia	646	-3.2%	1%
10	Spain	530	0.7%	1%

# Europe Market Research turnover 2010 - 2014



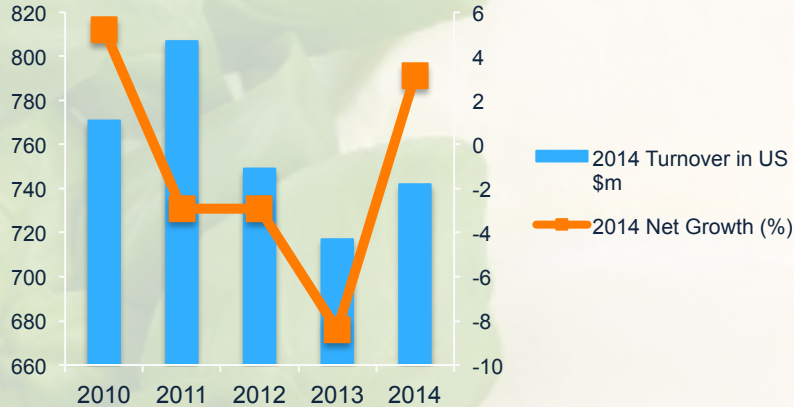
## Fastest growing markets



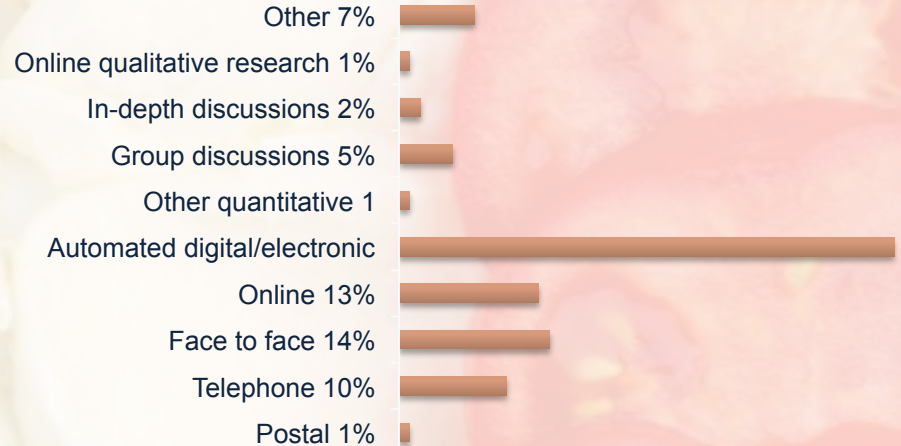
Europe's market research economy is currently in a state of recovery following a boost from smaller markets and improvements in Belgium.

# Zooming in on Italy

turnover 2010 - 2014



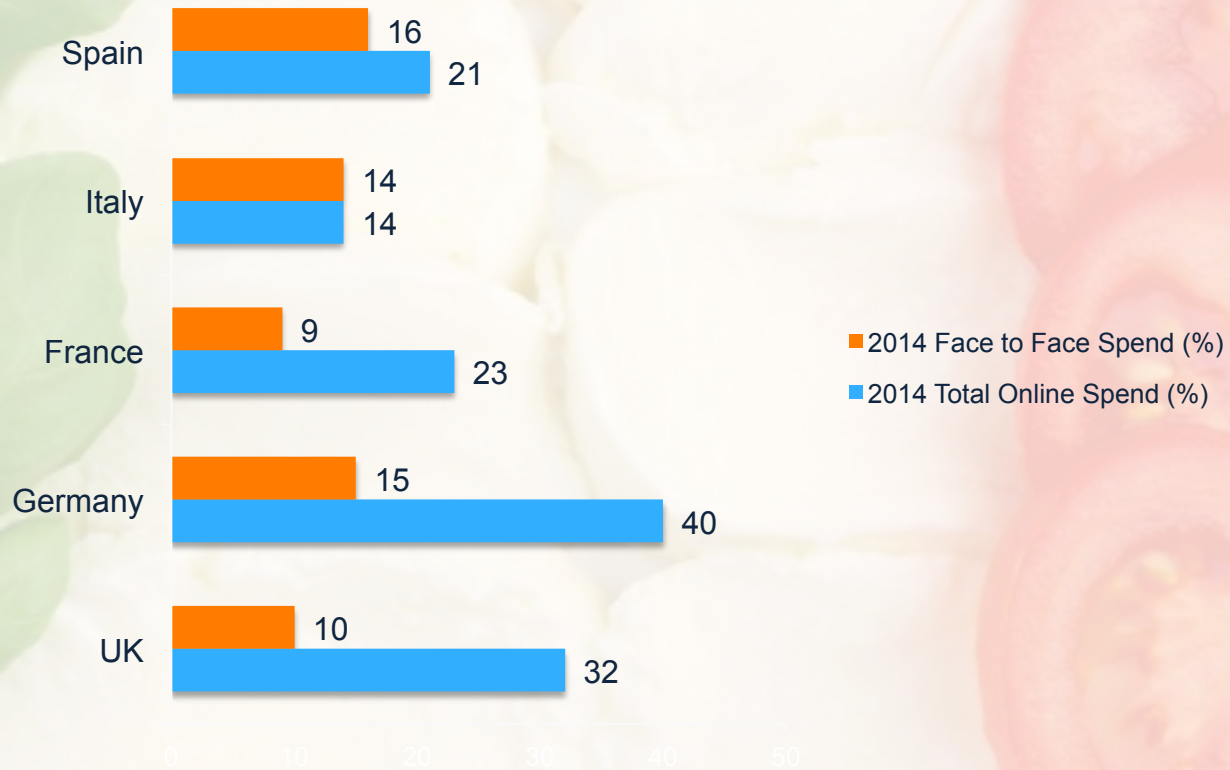
Method



- Remains in top 5 Euro markets & shows 3.1% net growth in 2014
- Improvement on 2013 despite continued difficult economics
- Consumer non-durables and pharmaceutical products and services are the largest client sectors, while automated digital/electronic received the largest spend



# Zooming in on Italy



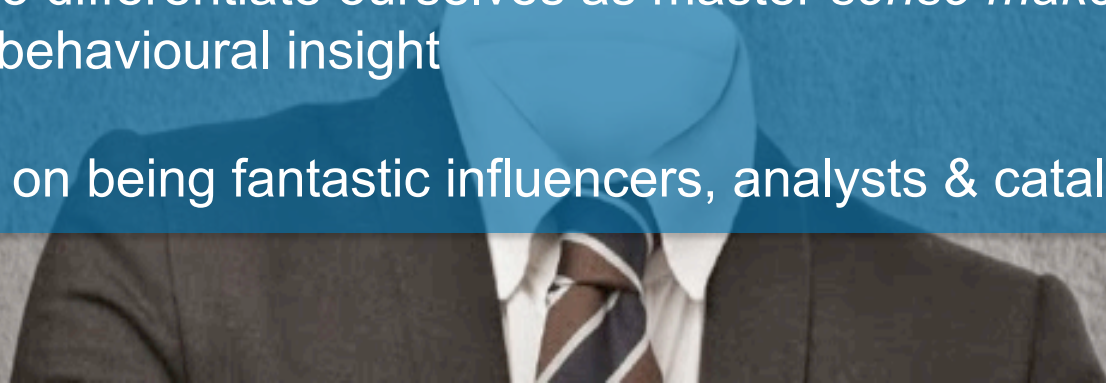


Our old market research industry *USP* has disappeared

No longer the sole gatekeepers of information – but still the best curators

We now need to differentiate ourselves as master *sense makers* and experts in behavioural insight

We must focus on being fantastic influencers, analysts & catalysts for change

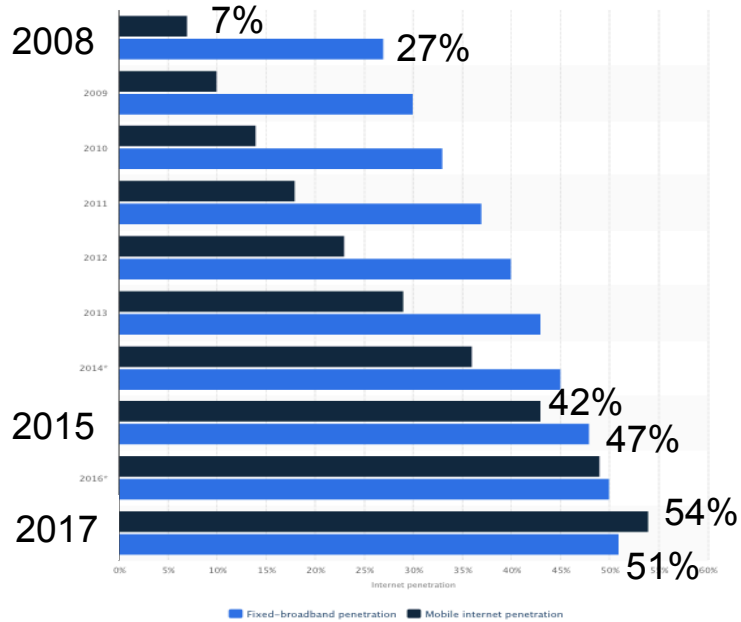


## A Bigger vision.....

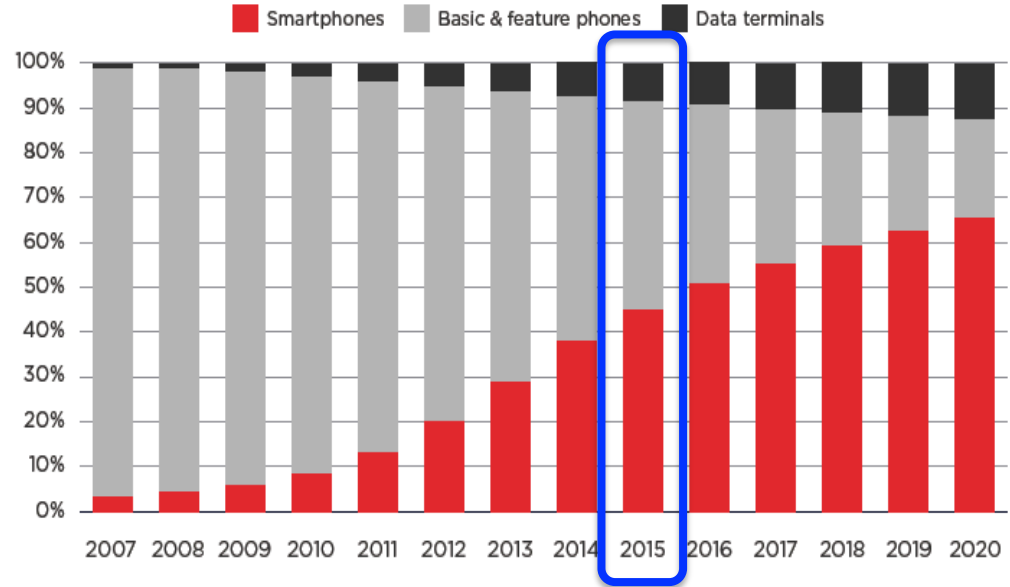
- New methodologies ?
- Adjacent categories ?
- Data ?
- Law ?



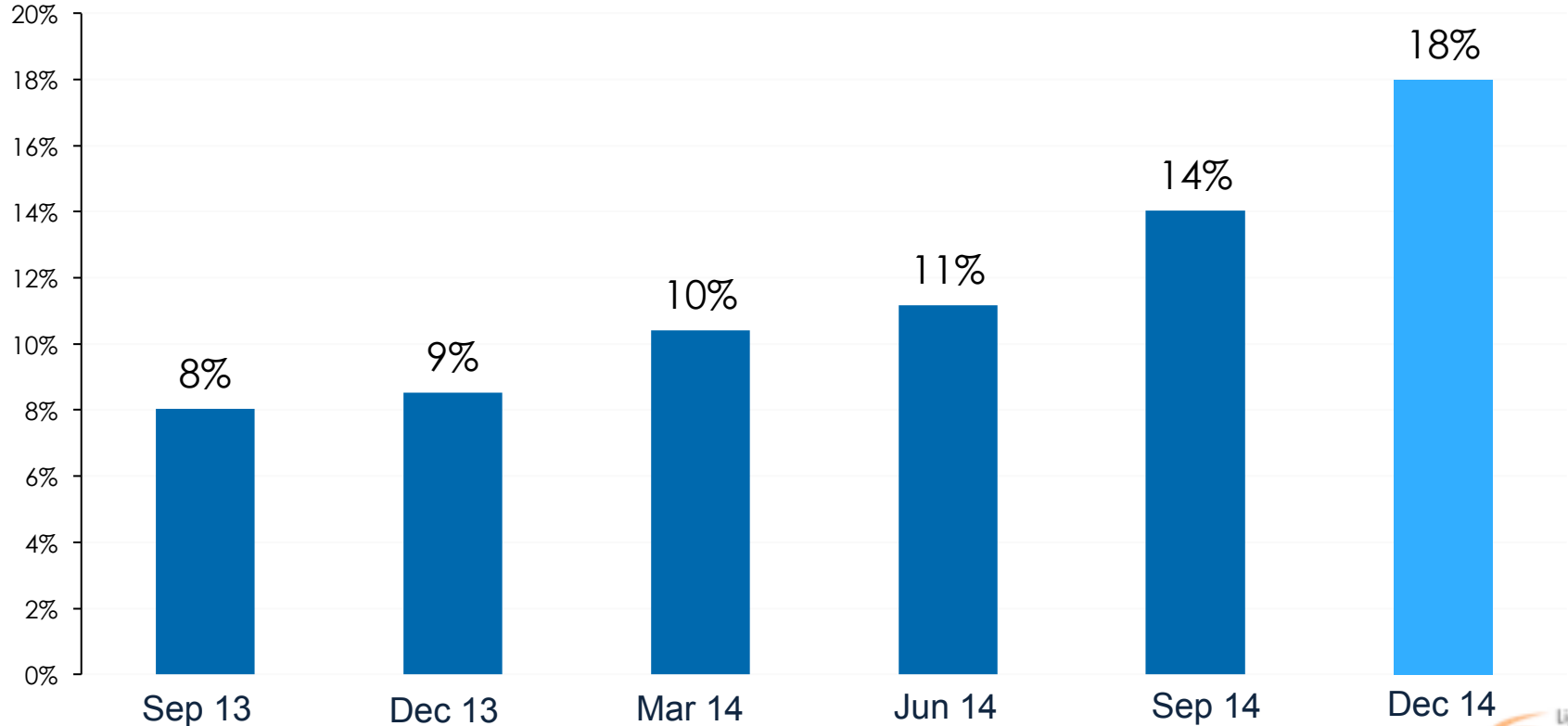
# Mobile – some Facts.....



Device adoption, as % of global connections (excluding M2M)

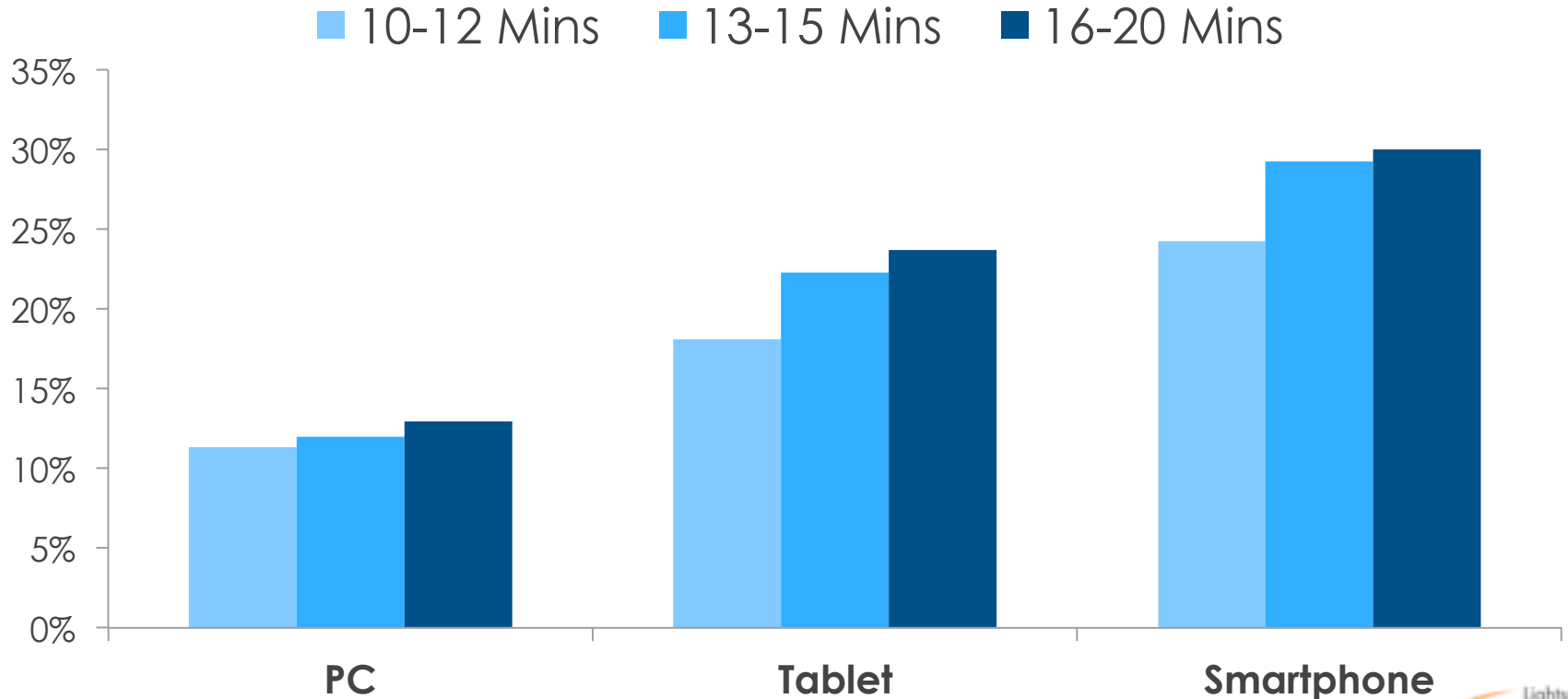


## Mobile : some IMPORTANT facts! - Non-PC Survey Completion -



Source: Lightspeed GMI May 2015

## Mobile : some IMPORTANT facts! - Drop-Out rates by Device -



Source: Lightspeed GMI May 2015

## Big Data is a *description*, NOT a product !!

- Data size is proportionate to processing power...
- Insight = Research; Analytics = Research; Data Science = Research !
- Correlation  $\neq$  Causality !!
- SMART DATA !! –we are the best to determine what data fits the question ?!



**“COMPUTERS ARE USELESS. THEY CAN ONLY  
GIVE YOU ANSWERS.”**

**PABLO PICASSO**

© Lifehack Quotes



## Top 5 issues facing brand “MR”

- 1) Expectations of the insight industry are high – Big Data, Analytics
- 2) Agencies will need to avoid the *commodity trap*
- 3) Agencies will need to offer transformational benefit
- 4) ROI of customer insight teams will be under scrutiny
- 5) Customer centricity a proven “benefit”





## New Marketing and Brand paradigm...

- Attract not sell
- Engage not preach
- Give not take

- 1) 10 Member Advisory Board
- 2) 6 Founding Partners
- 3) 18 Publishing partners
- 4) 60 Markets
- 5) 337 Vision Interviews
- 6) 10,495 Survey participants



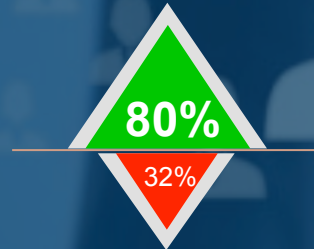
### 10 Key Drivers of Growth :

1. **Purpose-led**
2. **Data-driven customization**
3. **Touch point consistency**
4. **Embraced by all**
5. **Leadership priority**
6. **Collaboration**
7. **Experimentation**
8. **Leading role of I&A**
9. **Unlocking the power of data**
10. **Critical capabilities**

- LinkedIn Behavioural Analysis
- Wharton Crowdsourcing
- 8 Global research teams

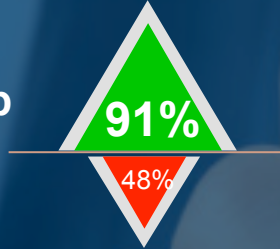


**Link everything to a clear brand purpose**



1. Focus on total experience
2. Focus on actionability of data
3. Experimentation
4. Co-create with customers

**Customer Centricity is a top priority for leaders**



1. Focus on products & services
2. Focus on detail of data
3. Manage risk
4. Deliver to customers

**I&A leading the business**



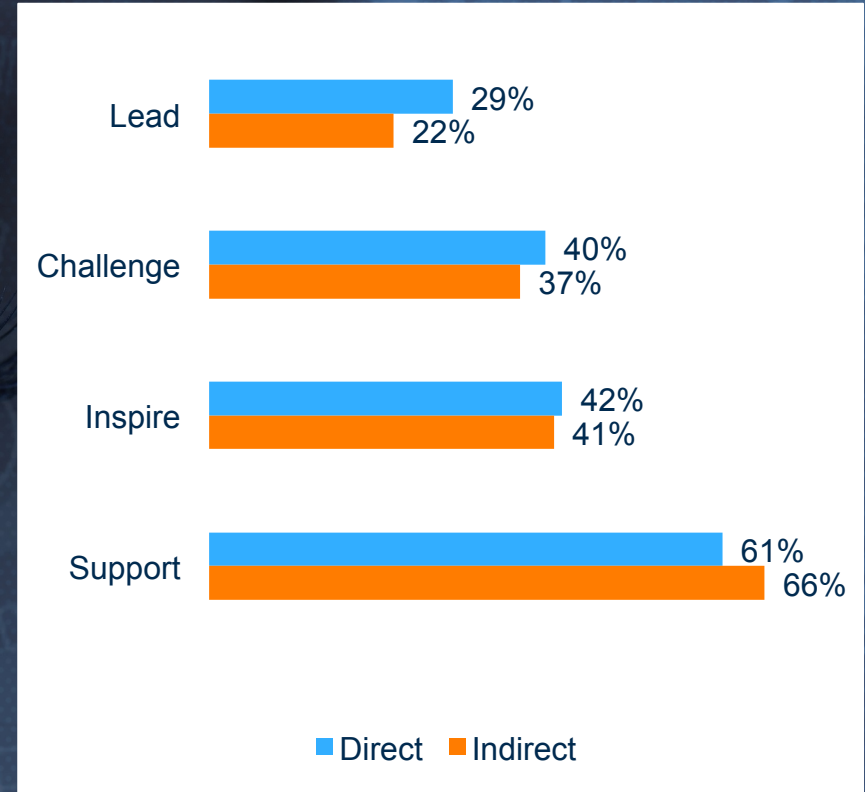
# Insights & Analytics still mainly has a support role

## SUPPORT ROLE IS DOMINANT

- The support role of I&A is consistently dominant (60%-65%) and seen over all industries, geographies and types of organizations. However in the nuances some differences appear.

## LEAD ROLE MORE FOR DIRECT END CUSTOMER RELATED BUSINESS

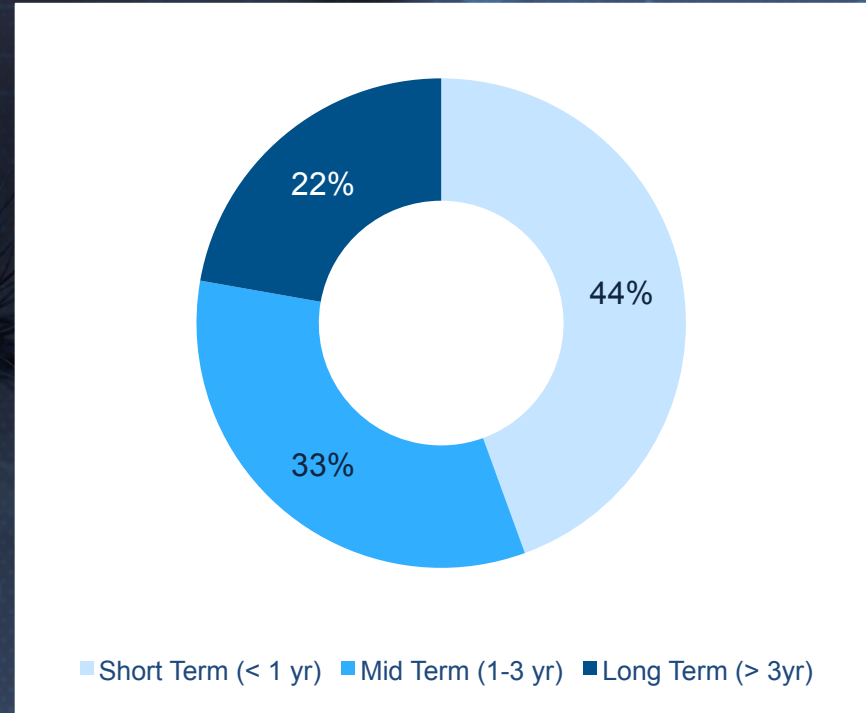
- The leading role of I&A appears to be stronger in organization's with a direct relation to their end-customer (29% vs 22%). This is probably due to the closer relation with internal financial data (internal customer database)



What is the most common role of I&A in your organization?  
To what extent do they ..... the business?

# I&A has an influence on major business decisions but mainly those with a short term orientation

- Slightly over half of all major business decisions are strongly based on input from Insights & Analytics. These occasions seems to be more tactical and less strategic, if we take the time horizon of these decisions into account:
- The time horizon of major business decisions, is mainly short term – and hence more tactically - oriented (44%)
- Only 22% of all business decisions, where input from Insights & Analytics is applied, have a long term – and hence a more strategic - orientation (time horizon longer than 3 years)

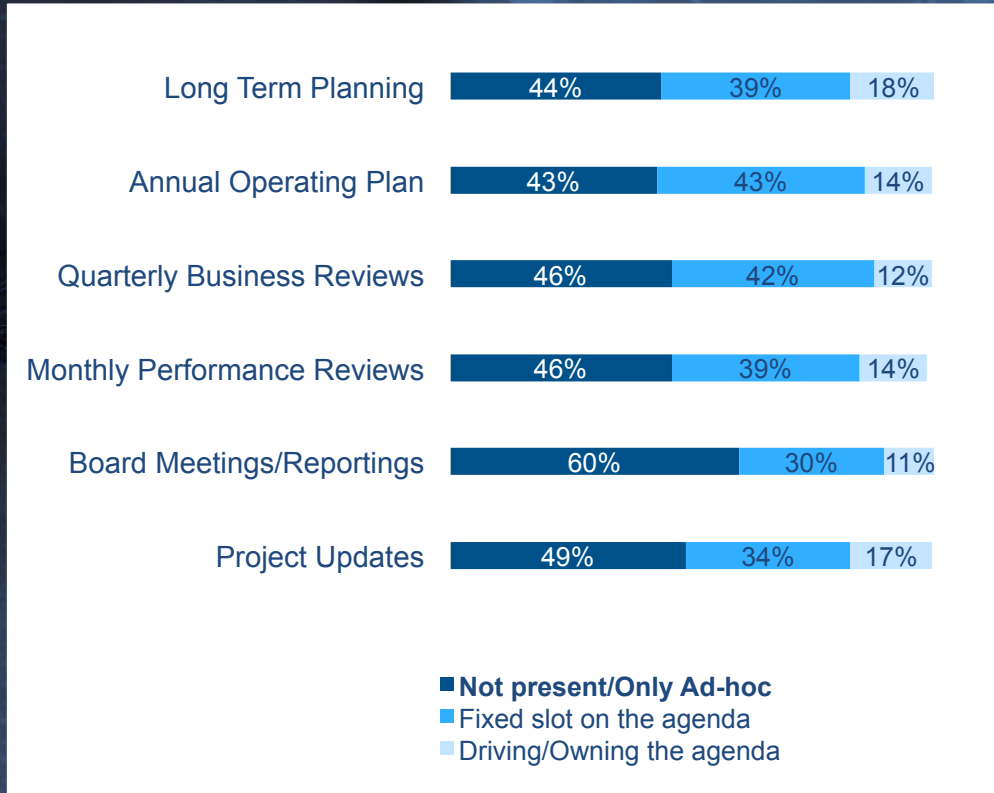


What time horizon is most influenced by your organizations' I&A department?

# Insights & Analytics potential is seen, but not implemented yet

Insights & Analytics is not very well linked to an organization's business cycle - a crucial dimension to become a trusted advisor

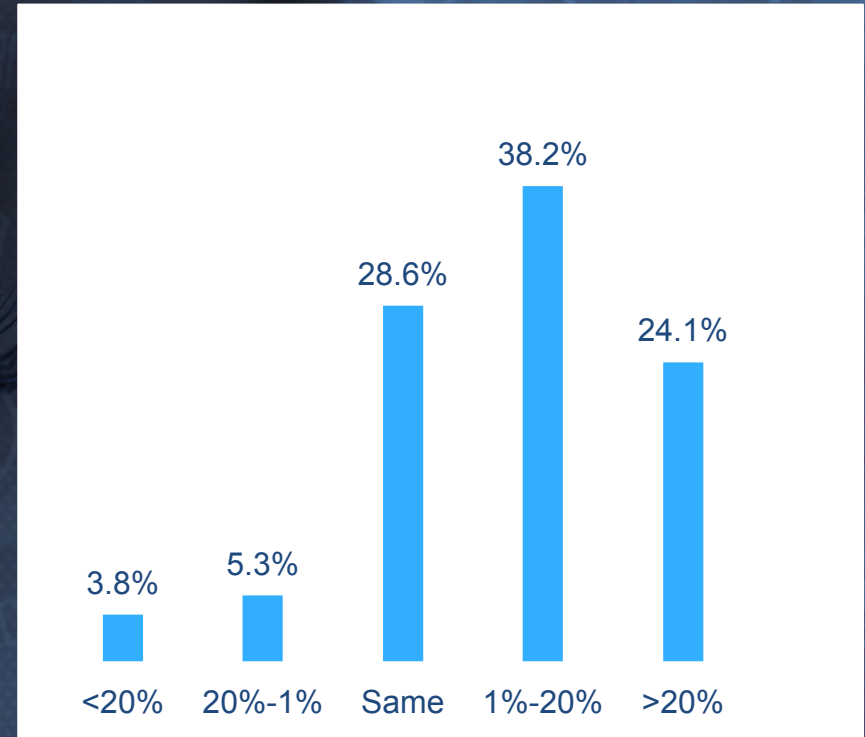
- In almost 50% of relevant business cycle meetings, Insights & Analytics is Not Present or Only Ad-hoc present
- This is even more skewed in Board Meetings where the percentage increases from an average of approximately 45% to 60%



To what extent is your organization's I&A department involved in the following types of business cycle meetings?

# Insights & Analytics budget is expected to grow

- On all levels (local, regional and global), the Insights & Analytics budget is expected to grow significantly
- Over half of all companies expect the budget of Insights & Analytics to be raised. Approx 40% of those expect it to be more than +20%
- Roughly 30% think that the budget will remain the same in the next 5 years, which in real terms means a reduction in actual value, due to inflation
- Only about 10% expect the Insights and Analytics budget to decrease, of which half expect the reduction to be -20% or more

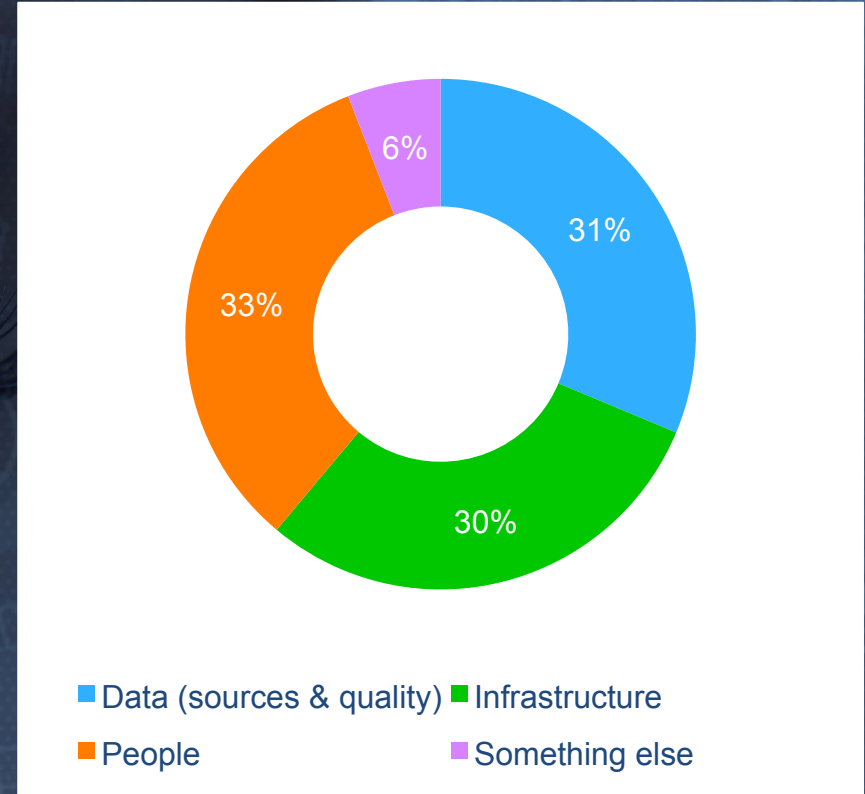


Five years from now, what do you expect the I&A budget to look like, compared to where it stands today?



# The investment priorities for the next 5 years are rather balanced

- There is a fair balance between (1) Data, (2) Infrastructure and (3) People, as investment priorities for the upcoming 5 years:
- Data relates to making sure that the right data is collected (data explosion)
- Infrastructure relates to bringing all sources together and being able to unlock the power of that data
- People relates to having the right capabilities available to make sense of it all and bring it across
- The role of external agencies is expected to grow because of the above. 61% say that their role will increase in the next 5 years (only 11% expect it to decrease)



What should the investment priorities be for the I&A function for the next five years?

We must showcase the DNA of new market research...

- Traditional skills are now a hygiene factor, Focus on new skills...
- Rigour and transparency around synthesis techniques
- Lead the way in the fusion of insight and data analytics
- Become outstanding business insight strategists
- Promote the “good” and the “value” of research
- Defend the faith and work with the new data landscape

## Advocacy: government and industry education

- Global strengthening of scrutiny and enforcement...
- Emergence of zero-tolerance data protection laws...
- Doubts of value and effectiveness of “self-regulation” ...
- Veracity of our white-hat status openly questioned...
- Commercial v. public-interest research debate...
- National laws: polls, census counts, auto-diallers...

## Why does Data Protection matter ?:

Global authorities have issued fines to the value of...

- **€55M in 2015**
- **€195M since 2013**

## Standing working groups 2015-2016

- Mobile
- Big data and data integration incl new data providers
- Analytics
- Automatic interviewing
- Best practices in using social media research for clients

*The rate of Change will never again be as slow as it is today!*

“Carpe Diem”

5 –x– 5 : Be mobile!

# Iamaproudmarketresearcher