

The State of the Market Research Industry: Optimism and Challenges

The Council of American Survey Research Organizations (CASRO) has been creating multiple opportunities to review the state of the market research industry. In November, it held its annual Data Collection Conference in Las Vegas. In February, it published its annual 'Year-end State of the Business Survey'. These resources showed an interesting contrast of optimism and challenges facing the industry.

Research professionals expect a strong 2010

The CASRO business survey reported that 2009 was a hard year for the research industry, but that most participants expect to see increased revenue in 2010.

Only 32% of respondents reported that business increased in 2009, with more than half (56%) saying that business decreased in 2009 compared with 2008. In contrast, 77% of its members are forecasting increased revenues in 2010, and just 1% believes that revenues will decrease during the year.

CASRO says this optimism is likely to be based on the positive trend in business growth in the 4th quarter of 2009. Survey participants reported an especially strong increase during the quarter, with 71% recording an increase over Q3. As a result most participants expect an economic recovery, with 78% of participating members believing the recovery has already started or will occur this year.

A customer-oriented, not product-oriented research industry

The speakers at the Data Collection Conference also recognized the challenging period the research industry has recently experienced. There was concern that research companies may be making the mistake of seeing their business as simply providing data collection methodologies, when they should be looking at their roles as providing insight and analysis of their clients' markets.

One speaker mentioned that "the Survey Research industry stopped growing not so much because this need was filled by others, but because it was not filled by survey researchers themselves. They let others take customers away from them because they assumed themselves to be in the survey research business rather than in the Market Insight/Decision Support business. The reason they defined their industry incorrectly was that they were survey-oriented instead of MI/DS-oriented; they were product-oriented instead of customer-oriented."

Some of the challenges facing the research industry are:

- survey cooperation and response declines.
- screening, filtering, and privacy protection.
- the increasing use of internal data mining as alternatives to primary research.
- declining research budgets.

Traditional data collection methods are still in demand, but the challenges referenced above mean research practitioners need to look for additional ways of helping clients understand their markets. While companies may have a wealth of information to analyze, they may not have the internal resources to leverage this data effectively.

One presentation highlighted areas where clients still struggle with analyzing their data:

- integrating multiple sources of Voice-of-Customer (VOC) data to define priorities for improvement.
- demonstrating the link between customer and financial metrics.
- linking the VOC to internal operational and service metrics.
- integrating the VOC and the Voice of Employees.

They went on to say that the problem is that most of these areas of data reside in silos at the company. This means that there is either a lack of internal awareness about all the VOC information a company has available, or that there are departmental barriers preventing an organization from successful convergence of the data.

Surveys should be more user-friendly

As a parallel to the Web 2.0 world – where people now expect to communicate how they want when they want - survey populations are also more likely to participate in a survey if it is made available on their terms. Highlighted in a presentation were:

- shorter, easier surveys.
- methods of providing feedback that do not constrain their ability to express attitudes and opinions and/or describe their experiences.
- receiving something in return.
 - Monetary or other types of incentives.
 - Action –evidence that somebody is listening and responding to what respondents tell them.

One speaker summarized the keys to transformation for the research industry as:

- needing to do what we do today more effectively.
- needing to do new things going forward.
- making survey data work with other data to
 - provide “convergent intelligence and insight”.
 - enable clients to use this intelligence and insight.