



# The State of the Global MR Industry

In many ways, the global MR industry is in great condition. ESOMAR are reporting sustained revenue growth, market research's core proposition is expanding to encompass new fields such as data analytics, and new brands are making an international impact. The confidence of the global industry is highlighted in the growth and vibrancy of international events and conferences.

## **A Centralised Global MR Industry**

The global market research industry is increasingly, highly centralised. According to the latest ESOMAR figures, 44% of the global market research spend happens in the United States, and the top six countries (USA, UK, Germany, France, Japan, and China) account for almost 80% of all research revenue.

The top ten research agencies account for just under half of all research billings. This means that more than half of the people in the global research industry work for one of these ten, or work for a company that buys from them or supplies research services to them or partners with them.

## **'New' Research is BIG!**

ESOMAR divide their global market research figures into 'Traditional' (e.g. surveys and focus groups) and 'New' (which centres on data analytics). New research now

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accounts for 44% of all research spend, and that figure has been growing by one percentage point per year. If you look at the top ten agencies, you will see that several of them are data focused, rather than survey focused.

## **More Automation and Standardisation**

The process of automation and standardisation is gaining pace and will re-shape many aspects of research and extend the range of business situations where research is used. The key element is the creation of complete solutions that can be used by non-researchers, for example brand managers or product designers. A good example of this is ZappiStore, where somebody can buy a Millward Brown Link Test or a System 1 Research Ad Test for a fraction of the price of buying the full service from the creators of the technique. A brand manager can log in online, answer a few simple questions, upload their materials, and quickly receive the completed analysis all without

human intervention.

Expect to see more services, platforms, brands and access panels using this high-level self-serve model. These changes will increase the speed of research, reduce the prices, and increase the number of research projects conducted, and hopefully increase the total amount spent on research.

Also expect to see more automation, more standardisation, and lots of claims about artificial intelligence (some of which will be true). The key drivers of success for these systems are ease of use, followed by speed, followed by cost. However, a key element in their success is the ability to leverage existing brands and reputations.

**More Images and Video**

A picture paints a thousand words, and in market research the power of images and videos is becoming an affordable reality. Many of the most exciting new start-ups are in this space, with brands like Voxpopme, Living Lens and GlimpzIt gaining traction.

**More non-Survey Options**

Surveys are still the biggest method of conducting market research, by value they account for just under half of all market research. However, surveys are in decline, down from 56% of global spending on research in 2010, to 48% this year.

The number of non-survey options is growing, for example: big data, behaviour-based techniques, biometric/neuro techniques (including facial coding, eye-tracking, and implicit association testing), and the quantification data that used to be analysed qualitatively.

**The Merging of Research with non-Research**

For over 70 years, market research and marketing have been kept apart, but this is changing, for example:

- Customer experience / satisfaction systems like Salesforce are already making inroads into aspects of B2B that used to be MR, and in a digital world this will expand into B2C.
- In a world focused on customer-centricity, brands are integrating all of their touch-points to optimise sales and marketing—online communities may merge with sales-focused activities.
- Some brands are using A/B testing with predictive

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analytics to automate product testing and development without the need for conventional research.

- Will the panel companies start utilising their assets with two different operating faces? One focused on market research and one based on marketing?

**The Worries**

Uncertainties include:

- Ongoing concerns about the quality of survey research and the ability of research to connect with representative samples.
- Automation and AI will lead to winners and losers, for companies and for individuals.
- Concerns that research is being dumbed down, on both the supplier and user side.
- The belief that some of the new exciting tools that are being widely promoted have not been properly evaluated and tested.

**It's the Economy Stupid**

We should keep Bill Clinton's election mantra in mind, if there is another financial crisis, then there will be a negative impact on market research, especially in the non-core countries—such as Australia.

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