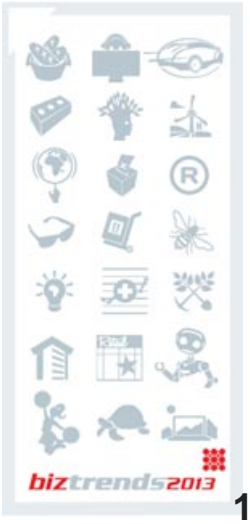
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South Africa's marketing research industry in 2013 and beyond

By Craig Kolb

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Predicting the future is a hazardous business, ever more so as we move along Kurzweil's exponential curve of technological advancement - and it seems we are at a point where technology advances so quickly, it is almost unsettling.



Of course, it is a matter of perception but, for what it is worth, my subjective experience over the past five years has been one where a disturbingly high number of 'impossibles' have suddenly become 'possible'.

Just a sample - we went from the warp drives of science fiction being 'impossible' to plausible with Dr Harold White's work in this area; junk DNA no longer being junk, the discovery of the Higgs Boson particle; suspended animation in animals; induced pluripotent stem cells, growing new organs in the laboratory; and the social media explosion.

Perhaps, more importantly for market researchers, smartphones reached a price point and level of appeal that has caused them to achieve rapid penetration of the market.

1. Online panels will continue to grow in importance

As I mentioned last year, online surveys are set to supplant other survey modes. The growth in smartphones and increasing undersea-cable capacity have caused us to jump to an entirely different diffusion curve. According to Gartner, smartphones will reach 80% penetration by 2014, a game-changing statistic.[1] By then, I would expect online surveys to have become the data-collection mainstay.

2. More DIY research

The appearance of low-cost, user-friendly research tools has meant that clients, should they so wish, can conduct their own basic research. [Acentric's online consumer panel has experienced increasing demand - yet much of this is from international clients who are far more comfortable with this mode than local companies.]

I believe this trend will continue in 2013, with more end-clients conducting their own research via online panels.

3. Growing importance of analytics

When I started out in research, I recall being surprised to find that one of the largest market research firms of the day had only two statisticians on staff, since the bulk of client requirements involved simple tabulation. which was left to the client-facing staff. Today, this model is under threat as cloud-based solutions make it easy for laymen to execute surveys online and obtain simple descriptive 'reports'.

Marketing research firms can no longer rest on their ability to reach the consumer as the main value proposition and still get away with dumping descriptive tables in the client's lap. While, at present, this trend applies mainly to lower cost 'field-and-tab' type projects, advances in software will no doubt gradually up the ante.

Research firms will increasingly need to focus on advanced analytics, interpretation, explanation and presentation in order to stay ahead of advances in user-friendly software.

4. Reshaping the new product development (NPD) research market

3D printers will change the way in which a significant percentage of the population obtains material objects. I don't believe it will entirely displace traditional techniques, nor will it be adopted by everyone; but within certain 'high-involvement' markets - such as jewellery - where individualism is valued, it is certain to rock the boat.

While this means less research budget in these areas, it may mean increasing spend by 3D printer manufacturers and service providers (such as Shapeways).

5. Decline in demand for interviewers

An unfortunate consequence of advances in technology is job losses. In particular, I expect interviewing and data capture/OMR centres to be hardest hit, especially between 2013 and 2015. Although interviewers will always be necessary for projects requiring a high degree of interaction, I would expect demand for interviewers to drop significantly over this period.

6. Chatbot-augmented online interviewing

Back in 2006, I began experimenting with online survey software and realised that online surveys had one major weakness - an inability to probe responses to open-ended questions. It was at that time that I recalled Eliza, a 'toy' chatbot programme used to teach me programming as a child.

I reasoned that modifying the behaviour of such a program might provide a way to substitute for the loss of the interviewer. I began a search for a chatbot software platform that was open to modification and to my delight found 'Elizabeth', a unique chatbot created by Prof Peter Millican of Oxford University. I was able to set up Elizabeth so that it successfully probed responses to questions - producing far richer responses than could have been hoped for if left to self-completion.

Subsequently Prof Millican and I presented a paper at the MRS conference[4] which examined feasibility, laid out success criteria for evaluating chatbot performance, and examined the trade-offs researchers would need to make.

Prof Millican and I are now revisiting this concept with a view to producing an online version of Elizabeth capable of augmenting online surveys. We are hoping that chatbots will not only improve response quality to open ends, but may also contribute to respondent engagement - another key area of concern at present.[2]

7. Data visualisation and graphics quality

As a society, we have come to a point where we take quality graphics for granted. From Hollywood to office software, graphics and artwork have become ever more polished.

Unfortunately, this makes the market researcher's job ever more difficult, since much of the research software available produces output that always seems to be a step behind the curve. It is one of the mysteries of marketing research - why on earth do so many software vendors seem to lose interest at the reporting module stage?

Perhaps this is more wishful thinking than a trend, but there are hints of a revival of interest in 'data visualisation' (sometimes called infographics).[3] Hopefully this will spur survey solution vendors to at least pay more attention to their reporting modules, even if they don't implement everything the 'data visualisation' movement is punting.

References:

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4. Craig Kolb and Peter Millican (2006), "Connecting with Elizabeth: Using artificial intelligence as a data collection aid", Connections, MRS annual conference, 22-24 March 2006, Barbican London.

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