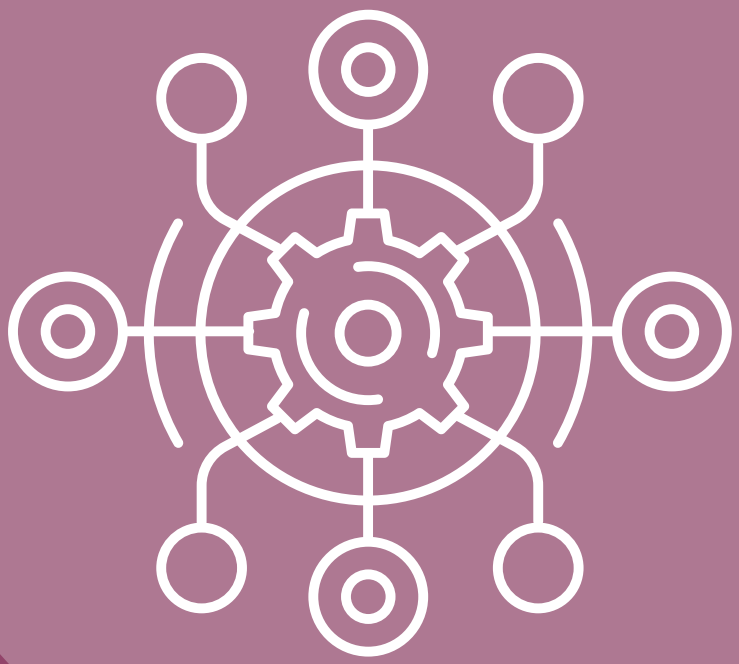
MRS reports / 2024

Part 3 of the BEST framework for Gen AI



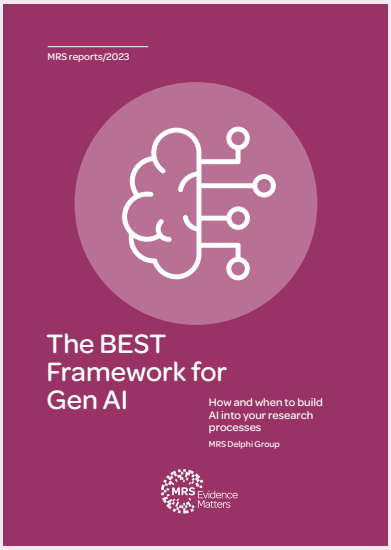
Adoption & Integration

AI: Where are we now?

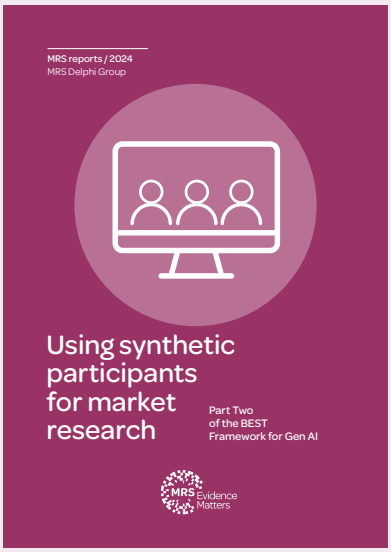
MRS Delphi Group

MRS Evidence Matters

This is the third instalment in a series of reports which explore the impact of generative artificial intelligence (AI) on the market research sector. The purpose of these reports is to demystify discussions about AI and set them within the context of the business of research. The common thread throughout the series is the BEST framework, developed by the MRS Delphi Group. The framework is aimed to help practitioners make decisions when discussing which technologies and approaches to explore further.



Download Part 1:
The BEST Framework for Gen AI



Download Part 2:
Using synthetic participants for market research

About MRS Delphi Group

The Group is led by a coalition of respected thinkers in the marketing and research sectors. The Group delivers valuable insight across a range of important business, social and political issues. The Steering Board includes: Colin Strong, Ipsos (chair), Rose Tomlins, Virgin Money; Gemma Proctor, PA Consulting; Adrian Sanger, DVJ Insights; Patrick Alcantara, AXA; Zoe Ruffels, Imperial Brands; Dr Mark Thorpe, Truth Consulting; Jane Frost, CEO of MRS.

MRS would like to thank all the contributors included in this report. Particular thanks are due to the lead authors of the report Gemma Proctor and Julia Christian-Edwards, both of PA Consulting.


Boost
Expand
Shift
Transform
B
E
S
T

Introduction

Potions and pixels: The alchemy of AI in market research

Colin Strong

Head of Behavioural Science

Ipsos

Chair

MRS Delphi Group

Those of us in the business of understanding and measuring human behaviour know it's a tricky business. Our subject matter can be intriguingly unpredictable, hard to pin down, opaque and yet we have ever more sophisticated ways to understand, with tools that give us the means to disentangle, and to measure. As practitioners, the development and application of tools has always been central to what we do - from surveys and topic guides, to statistical tools and eye tracking.

The arrival of generative AI has given us a new tool, but with the potential to restructure what, how, when and why we do what we do. It is less a specific tool with a specific function and more a 'platform' that has implications for all that we do. Do we ask questions of people, what types of questions can or should we be asking, how can we make sense of the answers, what are the implications we can draw?

Given the fundamental nature of these challenges, no wonder the research industry has grabbed hold of the opportunities and challenges of generative AI, not just 'kicking the tyres' but seizing the wheel, actively and enthusiastically exploring its potential.

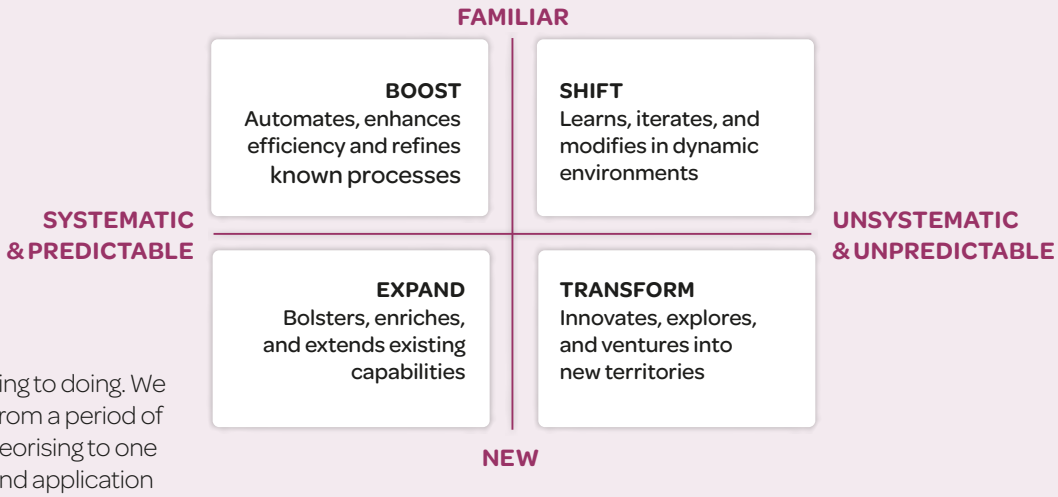
It has been a year since the publication of **The BEST Framework for Gen AI** report, where the Delphi Group proposed a runway for the industry around generative AI. The BEST framework (p.10) identifies a route through for the industry to consider how to make best use of AI, and to identify the awkward questions that will help us understand where the boundaries and limitations fall. We always knew that this is a rapidly changing landscape which requires experimentation, analysis and iteration to work out what good looks like.

What is clear is that knowledge is a shared, community act, where we learn from each other – as work colleagues, as industry practitioners, as rivals. MRS has been central to this, bringing together people to debate the issues, whether in the Data & Analytics Group, the many papers on AI at the Annual Conference or indeed our own Delphi Group which produced the follow up report **Using Synthetic Participants for Market Research** in May of this year.

The MRS standards team has provided **critical guidance around the ethical and regulatory challenges** that come with AI adoption (e.g., data privacy, bias in AI algorithms, transparency). The many high-profile challenges in the courts (p. 13) around its use highlight the importance of us making AI compliance a core part of what we do.

This report builds on these conversations, but importantly with a distinct underpinning of

Introduction:



evolution from talking to doing. We have transitioned from a period of speculation and theorising to one of experimenting and application where the learnings are generated in real time in tangible, live environments.

Experimentation is the watch word here: the technology has been around long enough for us to know where it can work well. For example, in making known and predictable processes more efficient - as Rose Tomlins points out (p. 7) AI can make light work of thousands of verbatims.

It is clear that our work is not yet done on the **Boost** segment of the BEST framework, where AI has been found to improve efficiency by automating routine tasks eg, Ipsos Facto platform reducing the time needed for qualitative data analysis (p.34)

See also plenty of emerging examples in the **Expand** - **opening new possibilities for deeper insights** eg, Focaldata's AI summarizing interview transcripts and enabling bespoke queries (p. 24).

But at this point, the authors of this report rightly point to **Shift**, where AI significantly alters existing workflows, integrating new methodologies and creating more dynamic research processes.

They also describe **Transform** as nearly achievable, where AI fundamentally redefines the nature of research, replacing traditional methods with autonomous systems and radically changing the role of researchers.

The authors point to the way that Gen AI has the potential to revolutionize both these latter two quadrants, pushing the boundaries of what is possible in market research.

And this is why a growth mindset culture is so important to experiment with this tool and to determine what is possible. The contributors to this report offer a vivid snapshot of the healthy way in which the industry is doing exactly that. The examples illustrate the way that AI can be used to enhance, rather than replace human researchers, demonstrating a necessary relationship between AI and human intelligence, creativity, and empathy.

We offer this report as a call to arms for the industry to continue on the path of discovery, using the guidance here to help structure and challenge our thinking. But also, importantly, we hope you are inspired by the work being done by our fellow practitioners who are wasting no time to make the best use they can of this new transformative tool.

Client perspective
A cautious and focused approach

Rose Tomlins

Head of Brand and Customer Insight

Virgin Money

Twelve months on from the publication of the first MRS Delphi paper on AI, my organisation now has an award winning chatbot that can even tell you a joke if it you ask it. It's also pretty good at dealing with your queries too; it's the standout high performer across our customer experience touchpoints, significantly reducing the need for customers to call up or go in branch to resolve their issue.

And yet, AI applications within our insights team have sat more firmly in the 'Boost' quadrant of the BEST framework (p.11); hugely impactful but doing little more than making known and predictable processes more efficient. AI is helping us make light work of the hundreds and thousands of verbatims that flow through our customer experience surveys each month. It has also opened up possibilities to test creative content in more iterative ways. While these changes are transformative in terms of freeing up capacity for the team to work on more strategic projects, it's fair to say we've embraced AI in a far more cautious and focussed way than I anticipated 12 months ago.

I've sat and reflected on this fact recently and tried to work out why the path to bolder AI experimentation has proved so challenging, only to conclude that the responsibility lies, ultimately, with myself. Once the initial excitement and possibilities turned into paperwork and permissions, it all felt too difficult, too unknown and ultimately, too risky. It was easier to tell our research partners to stick to the brief than give them permission to experiment and challenge the way things have always been done.

Therefore, this paper from the MRS Delphi group acts as a timely reminder to myself, and to other research buyers, that true innovation comes through collaboration, and through a shared belief in trial and experimentation over an extended period.

To move forward as an industry, we have a shared responsibility to create an environment where experimentation is encouraged, rather than made to feel like a risky jump into the unknown. The guiding principles (p. 16) in this paper provide us all with a framework to help keep us grounded and engaged even when progress feels far from linear. Rather than feeling frustrated by the immediate challenges and limitations, I hope we can remind ourselves that our industry has an incredible track record when we decide to embrace innovation and play the long game.

The guiding principles in this paper provide us all with a framework to help keep us grounded and engaged even when progress feels far from linear.

Client perspective

Neil Mortensen

Director of ITV Insights Group

ITV plc

There is so much written about this subject in our industry, so many "game changing" headlines that right now just seem a little out of reach. The opportunities appear boundless and this makes one feel anxious about missing out and not leaning in enough.

But every time I open the door to AI and start to imagine what our plans could look like, it feels like there is a whirlwind of use cases out there, making it difficult to focus on where to invest our valuable time.

This in turn gives us one of the immediate ironies, one that we have been acutely aware of on this AI journey: that giving up our valuable time now can save that valuable resource in the future. A future where we can concentrate on more complex work. Although we do recognise that humans need to retain a few of the simple tasks at work (I don't think we could cope with never ticking anything off our daily job list).

The reality at ITV will be very similar to most other large organisations. We employ some sort of AI or machine learning in many ways across the company. Generative AI has quickly gained widespread adoption, prompting teams to experiment with and implement AI initiatives to increase productivity.

At ITV these radiate across a wide range of functions, from automating elements of our TV production workflows like versioning, translating and subtitling, to building more complex digital ad products. A great recent example is the development of new **AI-generated** TV ads for small businesses, allowing these companies to advertise on TV for the first time. The ads have been created by amplifying our normal creative process, using licenced generative AI image and video tools alongside our voice over artists.

As far as ITV Insights and our future with AI? We have some POCs in progress and these are the same as many of the first steps that other Insight teams are taking. I would say we have a little bit of catching up to do. The next stage for us is to move from these pockets of work to making AI a fundamental part of everyone's role.

One of the big positives for me is to be able to use MRS to review and discuss the kind of progress our industry is making. This report is an important part of that. It reminds me to get a move on, but also assures me that we aren't too far behind the curve.

The opportunities appear boundless and this makes one feel anxious about missing out and not leaning in enough.

How the industry approaches AI

Our current environment

When thinking about the impact of AI over the last two years, one is drawn to the notion of Amara's Law.

Amara's Law is an adage coined by Roy Amara, a futurist and former president of the Institute for the Future. It states:

"We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run."

To explain Amara's Law further, when a new technology emerges, people can often become overly optimistic about its immediate impact, expecting revolutionary changes to happen quickly. However, these changes can take longer to materialise than anticipated. On the flip side, people also tend to underestimate how deeply a technology can transform society over a longer time frame once it is fully adopted and integrated. This 'law' has applied to many technological innovations, such as the internet or smartphones, which initially seemed overhyped but eventually had profound long-term effects on society.

Whether Amara's law applies to AI is perhaps too early for any of us, experts or not, to tell. A recent report by Goldman Sachs titled *Gen AI: too much spend, too little benefit?*, highlights the huge sums being poured into AI infrastructure (capex) – over $1 trillion expected in the coming years. However, the report also acknowledges that the real-world benefits of AI haven't quite materialised yet, and only time will tell if AI lives up to the hype or becomes a cautionary tale of over-investment.

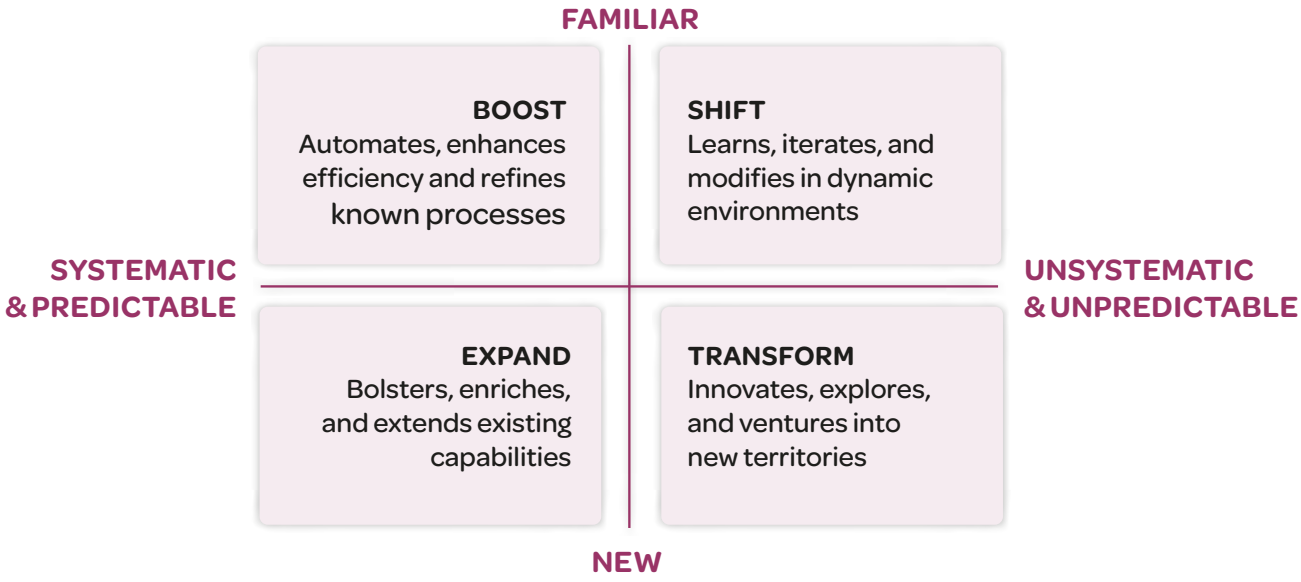
What we do know for sure is that AI is the latest of advancements on the spectrum of tech-enhanced research to impact our industry. Now that we've had two years since the release of ChatGPT to move from hyped to perceived to real value, it's a good time to pause and look at what will support the adoption of AI across all parts of our sector to determine where the real value lies.

Whilst we're here, it's also important to take stock and reflect on why the impact of AI on the research sector could be perceived to be different, versus that of the legal or pharmaceutical sectors, for example, where the use of AI is also being heavily debated. Could it be that our culture of curiosity combined with sensitivity and thoughtfulness in our approach leads us to a more sustainable and resilient adoption of the tool over the long-term?

"We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run." Amara's Law

How are we currently using AI in the research sector?

The BEST Framework

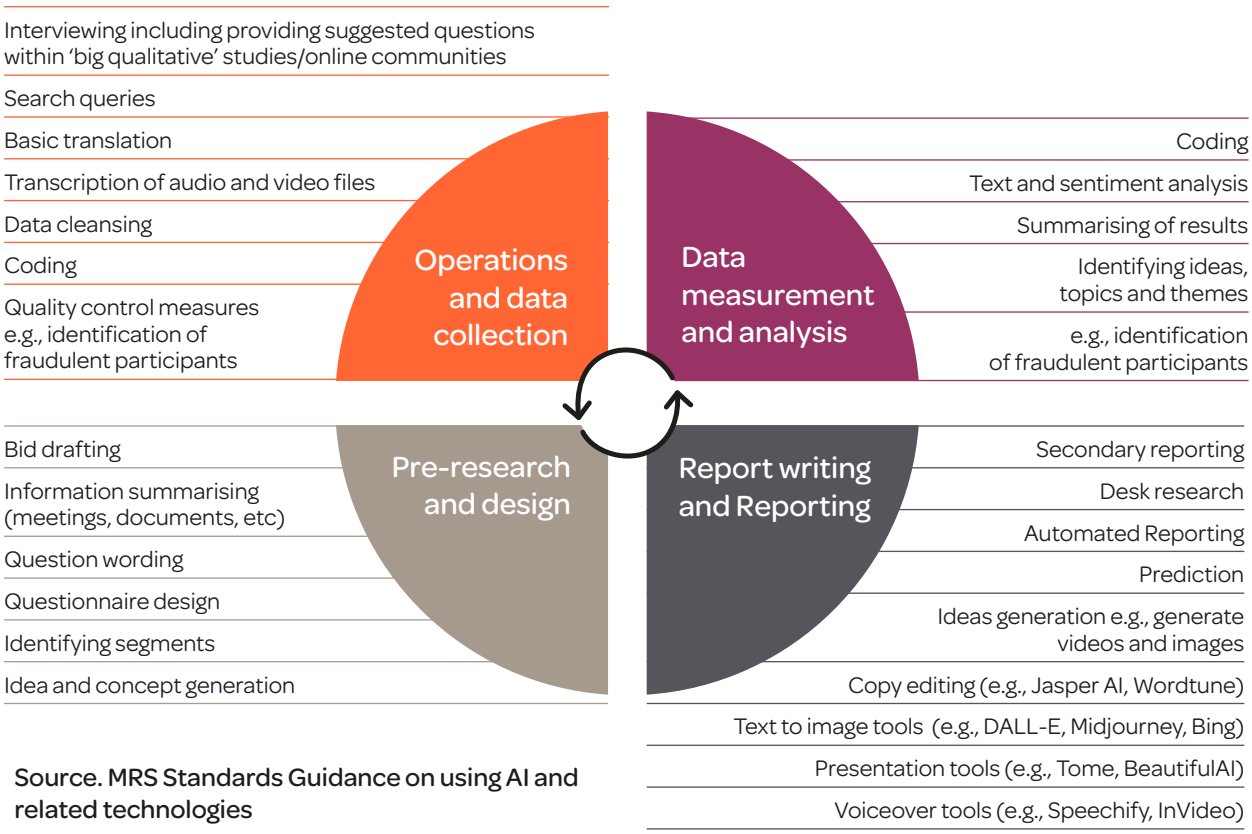


The BEST framework report **(first published in part one of this series)** brought us conceptual guidance on the application of AI for the research industry. BEST aims to classify the application of AI into a strategic decision-making framework, separating these into four quadrants – Boost, Expand, Shift and Transform – and from there identifying the best application of AI to help achieve the project's objectives.

Within the research, insight and data analytics sector, the types of activities that could be undertaken, to some degree via the use of current AI and related technologies includes operations and data collection, data measurement and analysis, reporting and report writing (see Figure 1 on the following page).

The MRS Company Partners Survey 2024 included a new question around usage of AI tools for research processes. Whilst uptake of AI tools has evidently been rapid across the industry, very few were using said tools "all the time" and a self-reported third were not using these at all, or chose to skip the question.

Figure 1. **Current use of AI and related technolgies within research, insight and data activites**



Source. MRS Standards Guidance on using AI and related technologies

Figure 2. **Usage of AI & machine learning tools**

	Not at all	Once in a while	More often than not	All the time	dk, qna, na
Project setup	45%	27%	7%	2%	18%
Data capture	56%	16%	5%	5%	19%
Data processing	28%	32%	17%	7%	16%
Analysis	35%	31%	13%	6%	16%
Deliverables	49%	22%	8%	2%	19%

Source: MRS Company Partner Survey 2024

Whilst it's evident therefore that the research industry as a whole is focussed on the value AI is currently providing in the Boost and Expand quadrants to aid data processing and analysis, there are still barriers to adoption across the industry, hindered by several key factors ;

- Regulatory and ethical concerns, such as data privacy and bias, creating caution among companies and clients
- A skills gap and lack of expertise which is slowing the ability to leverage AI effectively - (Microsoft's AI skills in the UK report found that 35% of UK business leaders foresee an AI skills gap in the next two years. 28% say we already have one.)
- Data quality concerns pose trust and reputational risks, as flawed data can lead to unreliable insights
- Disruption and challenges in integrating AI with existing systems also present obstacles, requiring additional resources.

This report aims to create a set of guiding principles for adopting and using AI, for individuals, teams and organisations across our industry.

The intention of this report is not to debate these further. As demand for market research continues to grow, in part fuelled by the growth potential of AI, data analytics and businesses seeking more tech-related solutions (*see Esomar Global Research Trends 2023*), the need to address these barriers is key to understanding the true impact of AI on the industry.

We are all aware of many examples of innovation and creativity happening because of AI - the explosion of ResTech platforms is a great example of that - but real change takes time. Creating resilience and sustainable use should be key factors in determining the impact of AI over time in our industry.

This report aims to tackle some of these points and more to create a set of guiding principles for adopting and using AI, for individuals, teams and organisations across our industry.

Risk and responsibility: A legal overview

Debrah Harding

Managing Director

MRS

As AI adoption has accelerated, the legal and reputational risk issues have become increasingly complex.

The two primary causes of risk within AI systems are quite stark and fundamental. The output risk in which the information generated by an AI system is too risky to use, and the input risk in which information that is used to build and enhance AI models is a risk and should not be used[1]. These issues are the same for many sectors, but the potential impact they can have on the reputation of the research sector is significant.

At the centre of both input and output risks is intellectual property. Materials being used to train AI models can be copyright protected, depending upon the law of the relevant jurisdiction. Unless copyright exceptions are invoked the reproduction of materials may infringe the copyright of the author of any original materials.

The US' Copyright Act has the concept of "fair use", which allows for the lawful use of another's copyrighted work. However, these kinds of exceptions should not be relied upon when using materials to train AI models. The 2023 US Supreme Court decision *Andy Warhol Foundation for the Visual Arts, Inc v Goldsmith* tested the fair use concept and as a result of this decision places some limitations on the fair use defence for using copyrighted materials for commercial purposes[2 3]. In Europe, there are text and data mining exceptions in the Copyright in Digital Single Market (CDSM) Directive, the 'commercial' exemption, but there remains some uncertainty as to whether these can be applied when using copyrighted materials to train generative AI models[4 5].

Copyright also applies to the outputs generated by AI, and the creation of materials solely from AI systems rather than human endeavour. Again, different territories will have different approaches. In the EU, the EU AI Act supports a previous European Parliament resolution from 2020, *Intellectual property rights for the development of artificial intelligence technologies,* which stipulates that outputs created independently using AI without human input are not eligible for copyright protection[6]. The US Copyright Office has taken a similar stance. For AI-assisted works, however, where humans have creative control of the outputs there is more likely to be some copyright protection.

More generally, hallucinations continue to be a concern regarding the robustness of AI generated outputs. One of the worst recent cases is that of a German journalist, who for years served as a court reporter, who Microsoft Bing Copilot falsely described as a child molester and a fraudster among other crimes. Due to hallucinations, the AI system attributed the crimes reported by the journalist to the individual themselves[7].

So how are legislators responding to these risks? The most significant step has been taken by the EU with the development of the AI Act. On 1 August 2024 the new Act came into force. This new legislation is all about understanding risks when using AI.

Minimal risk systems, such as AI-enabled recommender systems and spam filters, which place minimal risk to citizens' rights and safety, remain largely unaffected by the AI Act. However, when systems with specific transparency risks such as chatbots, biometric categorisation or emotion

Before starting out on AI think about what you are intending to do and then establish a group of people, including C-suite, from within your business to develop a responsible AI approach.

recognition systems are applied, users must be informed that these types of AI systems are being used. In addition, providers will have to design systems in a way that synthetic audio, video, text and image content is marked in a machine-readable format, and detectable as artificially generated or manipulated.

High risk AI systems must comply with stricter requirements, including risk-mitigation systems, high quality data sets, logging of activity, detailed documentation, clear user information, human oversight, and a high level of robustness, accuracy, and cybersecurity.

Those AI systems with unacceptable risk, i.e., AI systems considered a clear threat to the fundamental rights of people, will be banned. This includes AI systems or applications that manipulate human behaviour to circumvent users' free will, such as toys using voice assistance encouraging dangerous behaviour of minors, systems that allow 'social scoring' by governments or companies, and certain applications of predictive policing plus some biometric systems will be prohibited as will some systems for categorising people or real time remote biometric identification[8].

The Member States have until 2 August 2026 until the majority of the rules kick in. However, the rules for unacceptable risk systems apply from early 2025.

So how should the research sector move forward with all these risks, to leverage the opportunities that AI provides? One word: Governance. Before starting out on AI think about what you are intending to do and then establish a group of people, including C-suite, from within your business to develop a responsible AI approach. This will involve developing and implementing systems to identify and monitor risks, plus developing the principles, policies and guardrails that will provide the framework for responsible application of AI[9].

At the heart of responsible AI governance for research remains the *MRS Code of Conduct* and the *MRS Guidance on using AI and related technologies*. Via its work with EFAMRO, MRS has been accepted by the European Commission to participate in the development of a Code of Practice which will detail the AI Act rules for AI models. This will enable MRS to be at the heart of discussions within the EU regarding the application of the new AI legislation, enabling the voice of research to be reflected in the thinking, and ensuring that we can continue to stay ahead of this complex, challenging, risky but essential opportunity for the future of research.

1 Thomson Reuters: The key legal issues relating to the use, acquisition and, development of AI: legal.thomsonreuters.com/blog/the-key-legal-issues-with-gen-ai/#:~:text=to%20client%20representations.-,When%20litigators%20use%2generative%20AI%20to%20help%20answer%20a%20specific,platform%2C%20without%20even%20knowing%20it.
2 Deloitte: The legal implications of Generative AI: www2.deloitte.com/us/en/pages/consulting/articles/generative-ai-legal-issues.html
3 WIPO Magazine In the Courts: The US Supreme Court's Warhol decision revisits the boundaries of fair use: www.wipo.int/wipo_magazine/en/2023/04/article_0006.html
4 Kluwer Copyright Blog: Generative AI, Copyright and the AI Act copyrightblog.kluweriplaw.com/2023/05/09/generative-ai-copyright-and-the-ai-act/
5 Kluwer Copyright Blog: Article 17 – five year later: copyrightblog.kluweriplaw.com/2024/06/07/article-17-five-years-later/
6 EUR-Lex: Intellectual property rights for the development of artificial intelligence technologies European Parliament resolution of 20 October 2020 on intellectual property rights for the development of artificial intelligence technologies (2020/2015(INI)): https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52020IP0277
7 The Register: Microsoft Bing Copilot accuses reporter of crimes he covered: www.theregister.com/2024/08/26/microsoft_bing_copilot_ai_halluciation/
8 European Commission: European Artificial Intelligence Act comes into force: ec.europa.eu/commission/presscorner/detail/en/IP_24_4123
9 BCG: A Guide to AI Governance for Business Leaders: www.bcg.com/publications/2023/a-guide-to-mitigating-ai-risks?https://www.bcg.com/capabilities/artificial-intelligence&gad_source=1&gclid=Cj0KCQjwr9m3BhDHARIsANut04a5V5bldTf1X8chnoSGa-_yCc2oAP5MfIOYoR9ANxan_1FcC4Z1dGEaApnqEALw_wcB&gclsrc=aw.ds

Five guiding principles

The aim of these principles is to guide the adoption of AI for research.

These are practical principles that can be adopted across the industry. The aim of these principles is both personal accountability and organisational exploration. Careful experimentation with AI's potential, rather than defaulting to resistance that a participatory, gradual approach may ultimately unlock more sustainable value.

Five guiding principles

1. Embrace experimentation

How do you cultivate experimentation in an AI world so full of potential opportunities that it can be hard to know where to start? While responsibility for effective adoption of AI sits across the organisation, grass roots experimentation is important to identify the best applications.

Why it matters

Experimentation is an essential mechanism for driving breakthroughs with any new technology. With AI, where the possibilities and outcomes may be uncertain, experimentation plays a crucial role in tackling that uncertainty and challenging our assumptions. It helps us identify where the opportunities and benefits for insight might lie, paving the way for meaningful advancements.

While experimenting with new tools or software is important, true experimentation is also about fostering a mindset of continuous improvement. It requires accepting that results may not be immediate and that a certain amount of trial and error (and probably even some failure) is necessary for progress.

This is particularly significant with AI, given its transformative impact on our industry. The explosion and availability of ResTech platforms and AI solutions has enabled us to automate tasks and enhance our thinking, ultimately evolving our roles. However, there is no manual for AI; we're still discovering new use cases all the time. This discovery process depends on our curiosity to explore and push the boundaries of what's possible.

The goal is not just finding ways of doing the same research via AI, but finding new, better ways of answering business problems through AI-enhanced insight and consultancy.

Tips for embracing AI experimentation

At an Individual Level

Cultivate curiosity
Approach AI with a sense of curiosity to explore new and better ways of doing things. Ask yourself:

- How can AI help me think about this question differently?
- How can AI help me generate hypotheses?
- What are the options for enhancing this process with AI?
- What tasks could AI take off my hands?
- Where couldgenerative AI help enhance the creative process?

Engage with AI tools
Gain hands-on experience and build a habit by actively interacting with AI tools and technologies. Start by experimenting with a Large Language Model (LLM) like ChatGPT for day-to-day tasks. Then, apply the learnings gained from these interactions to using AI-enhanced or AI-first tools for research.

Seek out training opportunities
Over the last year there has been a wealth of training courses and materials created within the industry to support your learning journey with AI. See training courses provided by MRS.

Embrace a growth mindset
Experimenting with AI inevitably means experimenting with some unknowns. As psychologist Dr. Carol Dweck explains in her seminal book *Mindset* "...remain open to learning from both successes and failures, and keep trying!" Stay proactive – the more individuals take the initiative to experiment, the faster we will get to a collective understanding of how market research can benefit from the technology.

The more individuals take the initiative to experiment, the faster we will get to a collective understanding of how market research can benefit from the technology.

At a team level

Provide time and space for experimentation

Protect dedicated time for team members to experiment without the pressure of immediate results. Encourage activities like running A/B tests, hackathons or simply exploring AI tools.

Foster a culture of knowledge sharing

Encourage individuals to document their experimentation process, including successes, challenges, and unexpected outcomes. Alongside this, promote the sharing of experiences within the team and across the organisation to build and accelerate collective knowledge and learning.

Tailor support to team needs

Consider the needs and readiness of your team, tailoring your approach to encourage curiosity. Provide practical support to encourage first steps in AI experimentation. Ideally, focus team efforts on areas where experimentation can make an impact, such as an ongoing business problem or time drains.

Identify and empower advocates or lead users

To maintain momentum, identify team members who can collate knowledge, inspire others, and champion AI initiatives. These may be lead users who forge the path for others based on their AI experience, or enthusiasts with an eye on the potential of AI. Equip these advocates with the necessary tools, training, and resources to deepen their AI expertise and effectively lead initiatives.

At an organisational level

Address hesitance and resistance

Encourage open dialogue by creating a safe space for colleagues to express their concerns, ask questions, and share their perspectives on AI. Regularly gather feedback to understand the root causes of any fears or resistance and tailor your approach to address specific worries or misconceptions.

Invest in education and upskilling

Ongoing education and upskilling are essential to address any lack of understanding, provide guardrails and give insight teams the ability to experiment with knowledge and confidence. Ensure that learning through hands-on experience is complemented by formal education and training.

Align AI efforts with company strategy

It sounds obvious, but it's important that AI efforts clearly align with business strategy. Communicating the role of AI within the context of the overall mission helps keep everyone working towards the same goal. To keep on track, regularly monitor progress and adjust efforts to ensure that AI-driven projects are delivering tangible value and staying aligned with the broader business mission.

Five guiding principles

2. Keep the human in the loop

As the BEST report highlights, "Any tool has upsides and downsides— there is a clear role for active human participation to ensure the outputs are meaningful." Here are some practical tips.

Why it matters

Human oversight, judgement and involvement when using AI is crucial for ensuring accurate, relevant and ethical outcomes. While AI is a powerful technology, it is not infallible – it can make mistakes and miss the nuances that are essential in understanding human behaviour. Not only that, but generative AI can be very convincing even when wrong; outputs are usually not presented with any degree of tentativeness. It is therefore vital to recognise what AI can and can't do to avoid over-reliance on the technology. This is important whatever the sector, and even more so in an industry that is fundamentally based on understanding people's behaviours, emotions and motivations.

Understanding research participants – who are inherently complex beings – requires more than just data analysis; it requires context and empathy, which are qualities that AI often lacks. Similarly, the ingredients for a successful client-agency relationship – empathy, trust, energy, rapport – are still human, rather than AI, strengths.

However, this does not mean that we humans should be complacent. Instead, we must actively engage with AI to harness its full potential.

Tips for keeping the human in the loop

Validate AI outputs

While AI can be incredibly valuable, over-reliance on it can compromise the quality of your research. Be proactive in checking for gaps, mistakes, outliers, and data quality issues. Scrutinise the sources of AI outputs by asking for citations to enable checking and then correct any errors.

Augment, don't replace, human judgement

AI-driven insights should be complemented by the domain knowledge and critical thinking of the team. Allow AI to handle certain tasks or to enhance your creativity, but rely on human judgement for decision-making. Your experience, contextual knowledge, commercial acumen, and strategic thinking are still key to making impactful decisions..

Ensure ethical use of AI

Implement human oversight to maintain ethical standards in AI usage. Be aware of biases in AI algorithms and take steps to prevent harmful or unfair outcomes.

Provide guidance and transparency

Ensure that research participants are well-informed and reassured when AI is used in research. Research operations should play a key role in maintaining trust and ensuring that human interaction remains central to all interactions. And of course, it's important that clients and stakeholders are aware, at least during this period of transition, when AI is being used as well.

What success look like

The real power of AI lies in how we, as humans, can shape and direct it to elevate our work. By working with AI in this way, we not only avoid the pitfalls of assumptions, missed nuances or biases that AI might introduce, but we can get to a better, more inspired, augmented outcome.

Striking the right balance is crucial though: too cautious an approach to AI risks leaving research stuck in a project-driven, non-advisory role, while over-reliance risks missing the opportunity to use it to push our thinking and outcomes further.

Ultimately, by integrating AI thoughtfully, we can enhance our ability to deliver richer insights, more nuanced understanding, and stronger client relationships – without losing the essential human touch that defines truly impactful research.

Five guiding principles

3. Keep your core offering in the spotlight

AI can enhance our work as researchers, but it's important not to lose sight of the foundations of research practice – and how these are evolving. Here are some practical tips.

Why it matters

Whatever the application of AI within the context of research, it's crucial to remember that the core offering isn't AI itself. Rather, your value proposition – a unique combination of insights and expertise developed over time – remains at the heart of your work.

AI serves as a powerful tool to support and enhance this value proposition, but it does not replace the core of what makes research services valuable . And while clients may appreciate the efficiency or innovation that AI brings, their primary concern, as ever, is the impact of insights on decision-making, not the technology behind them.

Tips for keeping your core offering in the spotlight

Avoid "AI washing"

Everyone's talking about AI! So the temptation to shout about a new application of the technology may be big. But it can be easy to slip into overstating AI's role to create a false impression of value. To avoid falling into the "AI washing" trap, be clear on how exactly AI enhances your work without overshadowing the core principles of research practice.

Maintain transparency

Clearly communicate to clients and stakeholders how AI is being used in your research processes. This may mean detailing the specific tools and technologies employed, along with their limitations. This will allow clients to make informed decisions, help manage expectations regarding AI-driven insights, and also demonstrates responsible AI use.

Don't forget the basics...

The basics of market research remain paramount. This includes interrogating the brief, asking and answering the right questions, obtaining high-quality data, and ultimately delivering actionable insights. By not losing sight of these fundamentals, we can ensure that insight work continues to resonate with stakeholders and clients.

...AND Develop new craft skills

Alongside "traditional" research skills, identify the new craft skills that you will need to develop to successfully integrate AI into your research practice. A good place to start could be prompt engineering (creating effective prompts for AI tools) or using GenAI for brainstorming. Additionally, learning to evaluate and select from the growing array of AI platforms and understanding their respective benefits is essential.

What success look like

By allowing AI to complement your expertise or core offering rather than dominate it, you protect the integrity of your research and insights while harnessing the power of technological advancements.

As working with AI tools and platforms becomes increasingly commonplace, the skills required of researchers will change. Alongside the "new craft skills", advisory and consultancy skills will bear more weight than ever as the role of the researcher is freed up to provide more strategic input.

Five guiding principles

4. Know your tech

Restech platforms have the power to democratise research by expanding access to insight tools, allowing for rapid scaling and streamlining the entire research process. The AI applications across these tools are many and varied; from video capture and analytics, creative testing, conversational interviews and surveys.

Why it matters

Keeping up with new solutions, and specifically AI applications across research solutions, can feel overwhelming. But those who grasp the basics of how AI works and have a good understanding of the solutions available, will be better positioned to reap the benefits: leveraging the technology's full potential and staying ahead of competitors.

Tips for knowing your tech

Collaborate with AI platforms and tools

Explore and engage with AI where innovation is actively taking place, across all quadrants of the BEST framework. There are different ways of getting to know and evaluate these tools: invite platforms in to showcase their offering and benefit, request demos, and watch tutorials .

Ensure smooth integration

Creating an AI solution from scratch is hard work! Explore the possibilities for partnerships, white-labelling, and other collaborative arrangements to enhance your research offering. Consider how new AI tools can be integrated smoothly with your existing systems and ways of working. What blockers might need to be addressed? What permissions are required?

Continuously review performance

Regularly review and assess the performance of AI tools to ensure they are meeting your needs and delivering value to the team and/or client. Be prepared to adjust your approach accordingly.

Learn the basics of how AI works

Don't be intimidated by the technology! Learning some basic AI terms and ideas will help demystify the tech and provide an understanding of how ResTech solutions work. Practising effective prompt engineering to maximise the quality of results from AI tools, whether research-specific or not, is also a good investment of time.

What success looks like

Against a backdrop of continued innovation in the ResTech space, the successful research practitioner will effectively expand their role to include both research and technology expertise.

Those who thrive will seize the opportunity to offer clients not only the core offering of insight but also guidance on selecting and implementing AI technologies to get there. By providing hands-on support for trailing and testing AI solutions, agencies can help clients navigate these new technologies with confidence, de-risking the process for them and minimising potential disruptions.

Ultimately, making informed choices about AI technology will lead to smoother implementation and more effective use of AI-enabled tools in research, across all stages of the process.

Five guiding principles

5. Champion collaborative change

Successful AI adoption is not just about technological prowess—it's about embracing cross-disciplinary collaboration and fostering organisational change. Too often, AI's effectiveness is hampered not by the technology itself but by rigid structures and siloed teams.

Why it matters

To fully unlock AI's potential, research and client organisations must recognise that responsibility for adoption and productivity gains goes beyond individual workers and teams. It requires an integrated approach where different teams share knowledge, tools, and best practices. Without this cultural shift, organisations risk competing internally to "own" AI, rather than empowering collective innovation.

Tips for championing collaborative change

Foster a growth mindset across the organisation

Cultivate a culture that embraces learning and experimentation. By championing curiosity and ongoing education, you create an environment where AI adoption feels more inclusive and less daunting. leadership plays a crucial role here; Leaders must themselves embody a growth mindset, demonstrating resilience, adaptability and a commitment to learning, setting a tone for the entire organisation.

Create multi-disciplinary teams

AI thrives in environments where insights are drawn from different fields. Break down silos by forming teams that include members from research, data science, marketing, IT, legal and operations. This cross-functional collaboration ensures that AI tools are implemented with strong governance, maximising their potential to answer complex business questions.

Share learnings across departments

Encourage transparency and knowledge-sharing within the organisation. Too often, departments experiment with AI in isolation, failing to share their successes or lessons learned. Set up regular forums or internal knowledge shares where teams can discuss what's working, what's not, and how different AI tools are being used. This not only helps spread best practice but also prevents duplicated efforts and wasted resources.

Engage IT early

IT departments play a crucial role in facilitating access to AI tools, yet they can also inadvertently become gatekeepers. Work with IT to allow a range of external AI tools while still ensuring security and compliance. Having IT as an active partner in AI experimentation helps streamline adoption and avoids unnecessary roadblocks, whilst also protecting intellectual property and assets and ensuring robust data security.

What success looks like

Successfully navigating change like this means an organisation that is agile, inclusive, and open to experimentation. The teams that thrive will be those that dismantle traditional silos and embrace AI as a collective tool to enhance research, not just for experts in the technology itself.

A successful organisation will see multi-disciplinary teams routinely working together, each contributing their unique expertise to create more comprehensive and accurate insights. Internal culture will promote the sharing of AI learnings and solutions, avoiding isolated experimentation. Rather than racing to "own" AI, the entire organisation will feel empowered to use it to improve outcomes. Ultimately, this collaborative approach to AI adoption will result in more integrated, resilient, and insightful research solutions—delivering better outcomes for both teams and clients.

Conclusion

Ambition and accountability - our role is evolving

The rise of AI in market research is not just a technological revolution—it's a paradigm shift that demands a re-evaluation of ambition, talent, and perhaps later down the line, the core essence of research.

Ambition and change are at the heart of this new era. As we've explored in this paper, it is an invitation for both personal accountability and organisational exploration, encouraging careful experimentation with AI's potential, rather than defaulting to resistance. Yet at the same time acknowledging that a participatory, gradual approach may ultimately unlock more sustainable, long-term value and resilience.

The speed at which AI can process vast amounts of data, generate insights, and even predict future trends is unprecedented and unlike anything we've seen before. This rapid movement demands an agility in mindset and we must be prepared to adapt, learn, and innovate at a pace that (almost) matches the technology we are working with.

The ability of AI to accelerate the value delivered in market research is on the cusp of being realised. It enables faster and more accurate analysis, turning what once took weeks into hours or even minutes. However, this acceleration does not diminish the role of the researcher; it amplifies it. The value lies not in the data itself but in the insights derived from it - something we have always known, but now holds even more weight. Skilled researchers who can scrutinise outputs, interpret and apply insights thoughtfully, creatively and strategically will be indispensable. In this context, the role of the researcher is evolving to a strategic partner, shaping the decisions that drive businesses forward.

As Google's Senior Vice President for Research, Technology and Society James Manyika explains, "You don't win by cutting costs. You win by creating more valuable outputs...what additional value-added activities do we need to be doing to capitalise on what is now possible? As AI continues to permeate the industry, the stakes have never been higher. And so, whilst it is crucial to maintain ethical standards, the focus should be on how these tools can be used responsibly, rather than fearing of the technology itself. Researchers must remain vigilant and protective of our reputation, but they should also recognise the potential for AI to democratise access to high-quality research and to uncover insights that might otherwise remain hidden.

Ultimately, to be a researcher in the age of AI is to be a pioneer. Research is about asking the right questions, challenging assumptions, and unlocking innovation. AI is a tool—one that, when wielded by talented and ambitious researchers, can unlock new dimensions of understanding in market research.

So perhaps the AI conversation naturally shifts for our industry. The BEST framework has given us guidance on the application of AI to our industry, and this paper has provided guiding principles for wider adoption of AI across our industry. Now we need to think about how, when and if the fundamental role of the researcher is changing.

AI in action
Perspectives from industry experts

Reflections on the last 12 months

Justin Ibbet
CEO
Focaldata

At Focaldata, we're building an end-to-end research co-worker. Our vision is to create a system where users input objectives and constraints (like budget), and the system executes the project as efficiently as a human. It will then handle increasingly complex tasks, leveraging the speed and iterative capabilities of technology.

We began with one-on-one AI-moderated interviews. Since 2023, our AI interviewer has completed over 100,000 interviews with participants from more than 30 countries for clients such as Estee Lauder, Edgewell, MoneySuperMarket, and Virgin Media O2.

We expanded our AI capabilities to **summarise interview transcripts** and answer user questions, democratising data access by allowing users to ask bespoke questions beyond pre-made reports. A typical AI qual project involves 200 interviews, each lasting 30 minutes—generating a volume of text comparable to *War and Peace*. Our AI not only summarises this data but also allows users to ask any question, with every answer grounded in actual transcripts. For instance, Virgin Media O2 used this feature to analyse hundreds of transcripts in minutes, with full transparency and reference to the original data.

Customers now find they can conduct idea screening much more effectively than before. Previously, they might test five ideas they came up with themselves. Now, the system interviews 100 respondents on topics like their views on sunscreen, generates new ideas based on their needs, and tests these ideas in real-time.

We've applied this approach to **messaging** too. Instead of testing five messages, AI engages with people, trying hundreds of strategies to persuade them, like quitting smoking. It then synthesises these 'paths' to identify new messages brands hadn't considered. A US client used this to refine their sustainability messaging—testing core messages, having AI craft new ones, and then tasking it to create region-specific messages within minutes.

Ambition and accountability - our role is evolving

The **ubiquity of bots** caught me off guard. I was surprised by how widespread bots have become. I assumed facial recognition tech would reduce their presence, but they're everywhere now, even infiltrating high-quality panels that require photo ID through video. The cost has dropped so much that anyone, even students, can easily set up bots to answer surveys on their behalf.

On a positive note, I was surprised by how much people enjoy AI-moderated interviews over traditional ones. Our research showed that 96% of respondents rated their experience as positive or extremely positive, and 97% found their conversation with the AI interviewer natural or extremely natural.

Most surprisingly, 40% of respondents expressed a strong preference for communicating with AI over a human interviewer. Our analysis revealed that people felt less judged and more relaxed. I think many will be surprised by how eager participants, especially younger generations, are to adopt **AI-moderated interviews**. They are already conversing with AI chatbots for fun, like Character AI.

In the context of BEST

Most AI applications focus on automating existing processes driven by well-defined customer needs. This trend is expected to dominate growth over the next 12 to 24 months as organisations aim to automate end-to-end projects. Large Language Models (LLMs) excel at improving process efficiency, making this their primary application in the near future.

Simultaneously, AI is increasingly being used to extract more insights and "expand" existing datasets, as outlined in the BEST framework. **Synthetic data** exemplifies this trend. Although synthetic data isn't new (it has been used for imputing survey responses) LLM-driven synthetic data will take time to earn brands' trust. However, it is expected to grow rapidly over the next year, despite its currently limited use. For example, AI is already recommending new concepts based on in-depth interviews, even when these concepts weren't explicitly tested. Currently, this application is focused on idea generation rather than concept selection.

AI is set to greatly reduce the time and cost of research projects, facilitating more iterative research through multiple small projects. However, achieving this will depend on the development of truly autonomous AI systems, which are approximately 18 months from realisation.

What's around the corner?

The emergence of agents and **agentic systems** is one of the most exciting developments in AI, both in the research sector and the technology landscape as a whole. These autonomous systems perceive their environment, make decisions, and take actions to achieve specific goals. In research, agents will begin with a client's objectives and budget, executing projects end-to-end. They will formulate high-quality plans, carry them out, and deliver essential outputs such as reports and analyses. These systems will leverage various tools, from fieldwork feasibility to quantitative analysis and reporting, to meet their objectives.

Genuine research agents and AI agents in technology represent the most exciting developments today. They signal a new era of true automation that not only enhances researchers' efficiency but also fundamentally transforms their roles. Agents require AI systems that can plan more effectively. This is a key focus for major foundation model companies like OpenAI, with the next wave of LLMs set to improve planning and tackle more complex objectives.

The ability to execute research projects more effectively than humans will transform the sector. We anticipate a dramatic shift in the researcher's role over the next five years. Researchers will focus less on the "how" and more on the project's start and finish. At the outset, they will set objectives and constraints, primarily budget-related. They will also need to engage more with business stakeholders on decision-making, priorities, and research objectives, as well as communicate findings effectively at project conclusions. Customers will seek research consultants who can integrate findings into their business. Serious decisions will not rely solely on AI output; researchers will be expected to take **responsibility** for the AI system's recommendations, even if they weren't deeply involved in executing the objectives.

This transformation offers a significant opportunity for the research sector, including both agencies and in-house teams, allowing them to expand their

scope of work. All product, marketing, and strategy teams will need to make more decisions informed by better data and insights, and they will need these insights faster. As obtaining this data becomes easier and more affordable, research will play a larger role in decision-making across the board.

We also need to be hyper-aware of the risks around data privacy, bias, and the spread of misinformation. This is something the industry as a whole needs to tackle, and I expect it to be a key focus in the coming year. As such, there will be increasing demand for tools that ensure transparency and accountability in validating AI-generated insights. But, while challenges like data quality persist, the potential for AI to reshape market research for the better is undeniable.

The need for human input

Despite all the advancements AI brings, it's important to remember that human insight is still irreplaceable–especially for complex, high-risk projects. While AI tools are excellent at automating routine tasks and analysing large volumes of data, they still struggle with **critical thinking** and making intuitive leaps—things human researchers excel at. As leaders, it's our responsibility to guide organisations through this transition and demonstrate how AI can create new opportunities for growth and innovation.

As leaders, it's our responsibility to guide organisations through this transition and demonstrate how AI can create new opportunities for growth and innovation.

How complex reasoning is transforming the AI landscape

Dr Aji Ghose
VP Data & Research
Chattermill

Introduction

AI has emerged as a game-changer in recent years, and the world of market research and customer experience (CX) has been no exception. While many aspects of AI are exciting, I believe the nascent development of "complex reasoning" capabilities is the most transformative. This ability endows AI models with the ability to analyse, interpret, and generate insights with a level of nuance and **context** previously unachievable. This article will explore why complex reasoning is a game-changer and its commercial implications.

Why complex reasoning matters

At the heart of the research and CX sectors lies the challenge of understanding customers in all their complexity - the 360-degree perspective. In the last five years, Large Language Models (LLMs) have transformed natural language processing tasks, consigning old-school keyword and thematic approaches to the annals of history and paving the way forward for deep contextual understanding of users' attitudes and behaviours. However, even these LLMs have often fallen short in tasks requiring "System 2" thinking—deep, deliberate, and logical reasoning.

Complex reasoning, as exhibited by OpenAI's latest *o1* model, is a new breed of LLMs trained with reinforcement learning to perform complex reasoning and represent a leap forward. It *thinks* before it answers. It enables AI to engage in multi-step problem-solving, deductive reasoning, and handling ambiguous or incomplete data. This advancement is critical for customer experience use cases, where insights often need to be drawn from diverse data sets, market conditions, and clients' nuanced and messy business contexts.

No meaning without context

One of the guiding principles from my PhD research emphasises that "there is no meaning without context". This concept, contextualism, resonates deeply with how LLMs function and the essence of CX as a domain. Unlike earlier AI models that relied on rigid keyword and rule-based systems, today's advanced LLMs use contextual understanding to generate insights, ensuring that their output is relevant, tailored, and aligned with real-world business situations.

For example, if a customer feedback dataset indicates dissatisfaction with a product's "ease of use" a reasoning-capable AI doesn't just flag this as a negative sentiment. Instead, it examines the context—identifying whether this sentiment is related to a recent software update, a comparison with a competitor's product, or feedback from a specific customer segment. This **semantic interpretation** transforms data into actionable insights through a reasoning agent.

Complex reasoning allows AI to simulate various "what-if" scenarios, enabling market researchers to hypothesise and better understand the problem space...

Applications of complex Reasoning

Complex reasoning AI has the potential to revolutionise several core areas of market research:

1. **Insight generation:** By understanding the nuances of customer feedback, AI can identify emerging trends, pinpoint granular pain points, and outline the rationale for generating the insights—an imperfect form of Explainable AI (XAI).

2. **Scenario analysis and simulation:** Complex reasoning allows AI to simulate various "what-if" scenarios, enabling market researchers to hypothesise and better understand the problem space and take into account changes in pricing, marketing strategies, or how product features might impact consumer behaviour if *trade-off analyses* from MaxDiff or Conjoint models are plugged into reasoning LLM systems.

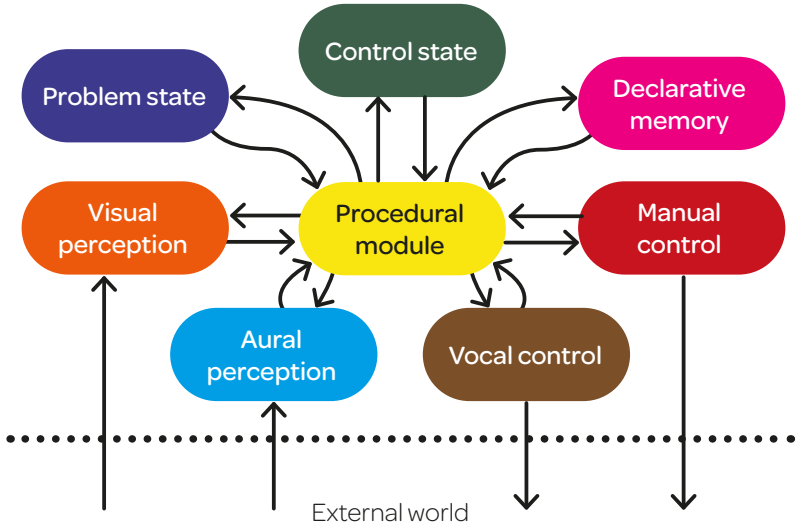
3. **Customer Emotion Mapping and Intent Discovery:** Traditional sentiment analysis identifies emotions, but reasoning AIs with causal modelling principles from Judea Pearl, the *Turing Award* Laureate, uncover the "why" behind them. This approach traces cause-and-effect relationships in feedback, providing profound insights into customer motivations and pain points. Beyond correlations, such clarity empowers brands to craft more empathetic and targeted strategies, enriching customer journeys and experiences.

The future: Exploring cognitive architecture alternatives

While LLMs represent a significant leap forward, they are just one pathway toward achieving AI competence. Cognitive architectures, such as Soar and ACT-R, offer another intriguing avenue. These frameworks are inspired by human cognition, aiming to **replicate how our brains** handle problem-solving, learning, and decision-making. Soar, created by John Laird, Allen Newell, and Paul Rosenbloom at Carnegie Mellon University, models human problem-solving by breaking tasks into smaller "operators" that work toward a solution. It excels in tasks that require step-by-step logical reasoning, making it a potential complement to LLMs in structured decision-making scenarios.

Similarly, ACT-R, developed by John R. Anderson and Christian Lebiere at Carnegie Mellon University, mimics human memory and cognitive processing (see *Figure 1*). It uses symbolic representations to understand and simulate how humans learn and apply knowledge over time. Integrating these cognitive architectures with LLMs could help overcome issues like **hallucinations** by grounding responses in structured, logical processes. This blend would allow AI to simulate decision-making in complex microeconomic scenarios more accurately, enabling brands to navigate market dynamics, predict consumer behaviour, use agent-based simulations to forecast market shares and craft more effective strategies by reducing uncertainty in business-critical decision-making.

A.



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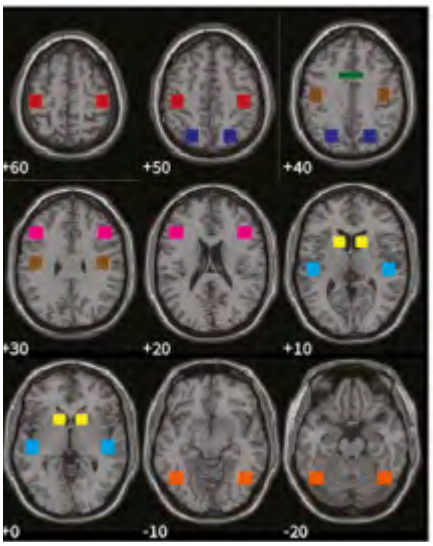

Figure 1: **ACT-R cognitive architecture and corresponding brain regions**

Source: Borst, J. P., & Anderson, J. R. (2017). A step-by-step tutorial on using the cognitive architecture ACT-R in combination with fMRI data. *Journal of Mathematical Psychology, 76*, 94-103.

Why Complex Reasoning AI is A true game changer

Integrating complex reasoning capabilities in AI is a watershed moment for researchers. It shifts AI from being a tool that processes data to one that actively understands and engages with it. This transition unlocks new possibilities:

- **Improved accuracy:** By considering the broader context, AI can avoid misinterpretations, ensuring that insights are correct but also relevant, precise, and actionable.
- **Enhanced personalisation:** Complex reasoning enables AI to tailor recommendations, strategies, and solutions to individual clients, market segments, or customer profiles.
- **Greater efficiency:** By automating tasks that require higher-order thinking, AI allows human researchers to focus on strategic decision-making and creative problem-solving.

Conclusion

As we look to the future, it's clear that complex reasoning is not just an exciting feature of AI—it's a fundamental shift that will redefine how we approach market research and CX. By embracing these capabilities and exploring synergistic technologies like cognitive architectures, we open the door to a new era of insight generation, strategic foresight, and deeper customer understanding.

The journey is just beginning, and those who harness the power of complex reasoning AI will be at the forefront of this transformative wave. Reasoning AI models hold the potential to unlock unprecedented understanding and value in an ever-complex world.

How we use AI and what to expect next

Nik Samoylov
Founder
Conjointly

The catchphrase "AI" has been used in business services for a number of years, but it's only with the release of ChatGPT and the wider availability of Large Language Models (LLMs) via APIs that general-purpose AI has gained traction in our industry and more broadly. Here, when I say "AI" I mostly mean "LLMs". Though of course the scope of AI is wider.

At Conjointly, as innovators in quantitative survey research, we started working with LLMs in mid-2022 to offer open-end analysis features, but maintained a cautious approach to implementing AI features given the limitations and potential for misuse of LLMs.

Our first use-case of LLMs for **text summarisation** is still the most helpful, especially as we have adapted the use of LLMs to minimise issues like confabulations (hallucinations) and as the cost of API access to LLMs has dropped in the past two years. This use-case is firmly in the Boost category in the BEST framework.

We attempted to incorporate LLMs in the **review of questionnaires** before they are fielded, but after some effort, realised that the work to make the LLMs detect issues with questionnaires is currently more trouble than it's worth. We do that now without the use of AI. If it worked, that would be an example of an Expand application.

We have experimented with **LLM-driven chatbot-style questionnaires** for a year now - interest from clients in them has been lacking until recently. Incorporating AI-driven moderation into the flow of quantitative research can uncover the "why" behind respondents' answers. Such blending of qual capabilities into a quant workflow is a Shift.

We are actively testing **voice surveys** (you can call them computer-driven personal interviews, CDPI). This application seems to have some benefits over existing methods, but it's hard to predict adoption given the greater costs compared to standard surveys. When voice models become more widely available, more researchers will be tempted to try them for voice data collection.

I've been concerned by the push for "**synthetic respondents**", i.e. AI-generated responses used in place of real survey data. This practice involves using LLMs to openly fabricate survey responses. Luckily, adoption has been limited.

The allure of synthetic responses stems from promises of faster execution, lower costs, and access to hard-to-reach audiences. If this worked, it would be truly magical, squarely in the Transform territory. However, these perceived benefits come at the expense of validity and reliability. Mine is not a baseless assertion, but a conclusion from testing.

Unlike real respondents, AI models are not your consumers. They do not go to the shop to buy your products. At best synthetic data is a tertiary source on people's preferences, choices, behaviours, etc. and maybe may compete with social listening, but not with primary research.

There are **many other useful ways to apply LLMs** in research, from coding open-ended answers

to drafting questionnaires. At Conjointly, we use the technology, but always with caution. It's not fully reliable, it's biased, it's prone to produce convincing yet incorrect text. That's why we double-check a lot, and at times the high rates of "false positives" do not justify some applications.

What lies next?

Existing LLMs are great at doing some types of grunt work, and are great as "Boosters" in the BEST framework, but what lies next is hard to predict.

On the one hand, barring advances in AI capabilities, we are likely to see wider adoption of LLM use-cases across the industry, either via generalist chatbot interfaces like Perplexity.ai or via specialised software where LLMs power specific features.

What I personally do not expect in 12 months is genuine breakthrough applications in market research, despite likely claims to the contrary. In a vibrant market for insights, researchers have tried and tested many applications already and are often playing catch-up with competitors.

We do need to be wary, not even as an industry, but as society, of potential developments in AI capabilities. The economic effect of LLMs have so far mostly been felt in the stock market. To date, this technology has created a lot of work (especially for posters on LinkedIn), while the feared layoffs are not as visible. If societies allow AI companies to develop this technology further, its "reasoning" and rates of hallucinations will sooner or later reach a point where AI is more reliable and capable than most human workers. To say the least, we are not prepared for this level of economic upheaval.

There are graver concerns if silicon replaces humans in most domains: from concentration of power in the hands of a few to the threat of uncontrollability of AI. I encourage you to visit **PauseAI.info** to learn more about these issues and proposals to limit the certain types of AI development.

There are graver concerns if silicon replaces humans in most domains: from concentration of power in the hands of a few to the threat of uncontrollability of AI.

Generation AI: Where size doesn't matter

Adelynne Chao
Founder
Untold Insights

What if your three person team could operate like a 30 person team? What if getting that team working efficiently and effectively was cheap, easy and super fast to set up? What if every step of your project could be completed in less than half the time it usually takes, and result in a higher quality output?

This is the dream for small agencies like ours, and AI has shown itself to be a game changer in helping us to compete with larger players.

As an entrepreneur and founder of a specialist consultancy that delivers research and customer insight-backed strategies for leading clients, I have been repeatedly blown away by the power and capability of AI. It has rapidly accelerated all of our workstreams and increased the quality of our work. It has helped us to win new projects and delight our clients. It has guided our content strategy and improved our SEO rankings. And most importantly, it has helped us build and launch a new subscription product without needing to raise significant investment or funding. Yes, thanks to AI, our small team operates like a much bigger one.

AI is a quiet revolution - because you don't know who is using it. The real disruption is not necessarily about the fancy, flashy-sounding AI solutions that larger agencies are pouring investment into. It's about who is harnessing the incredibly powerful Large Language Models (LLMs) like ChatGPT behind the scenes. This disruption isn't in the future—it's already here. **Small agencies** that embrace AI will be able to draw in clients from slower, larger agencies still clinging to outdated processes. AI doesn't just enable faster research—it enables *better* research. Those who aren't embracing it will soon find themselves losing competitive bids to more agile, AI-driven firms.

What has been most surprising to me is how AI can now outperform me on many tasks, despite my significant experience. Unlike me, AI doesn't get pulled in multiple directions. It focuses entirely on the task at hand, reading and understanding complex documents in seconds and with meticulous attention to detail. If this sounds hard to believe, here are just a few examples of where AI excels:

- **Work dynamically with qualitative transcripts**: It can explore verbatim quotes from different angles, organise them into themes, and extract meaningful patterns and insights.
- **Check and critique survey questions**: AI examines questions from multiple perspectives—responders, clients, stakeholders—and provides clear recommendations for improvement.
- **Create personalised client or industry reports**: In minutes, AI can generate reports that cover competitive landscapes and key problem areas, allowing you to come across as a sector specialist quickly.
- **Apply existing insights to new use cases**: AI can reuse the information you've already gathered about target audiences to predict outcomes. This means no more wasting time repeating inefficient research activities—something we're helping clients to leverage with our SegmentAI platform.

Clients are motivated by the same things as always; time, cost and quality. Even if they are not specifically demanding AI solutions from research agencies, they will buy into the benefits of a team that produces better work faster, and for less. It means agencies that fail to integrate AI risk becoming obsolete as the pace of change outstrips their ability to adapt. Most of all, I see this as a massive opportunity for challenger agencies to differentiate and **outpace** larger slow-moving corporations.

How is this possible? Because AI is incredibly accessible even to non-technical people. My team is good with technology, but none of us are programmers or software engineers. None of us went through any formal training about AI but we were able to pick it up and generate significant value in a short space of time.

We work with each AI interaction as if we were interacting with a colleague, and it feels natural. It is like having an enthusiastic super smart team to hand. In the end, it is still very much our job to instruct (or prompt) them, review their work, critique, and guide them to a great output. But unlike training a human, AI has outstanding core capabilities, produces what we ask for in seconds, is on 24 hours a day, and never gets tired.

I've spent the past two years deep diving into AI and have seen first-hand how it can level the playing field for small agencies, opening up huge opportunities for those that are ready to jump in. I believe that AI will transform market research completely, and for the better, enabling research to have more impact than ever before. So if you haven't started exploring how AI can transform your agency, what are you waiting for?

I've spent the past two years deep diving into AI and have seen first-hand how it can level the playing field for small agencies, opening up huge opportunities for those that are ready to jump in.

Our Journey over the past year

Maciek Ozorowski
Global Head of AI Transformation
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In today's rapidly evolving technological landscape, generative AI has become a transformative force in the market research industry. As one of the world's leading market research companies, Ipsos has embraced this change, leveraging AI to deliver reliable, actionable insights across 90 countries. This article reflects on Ipsos' journey over the past year, highlighting the practical applications, unexpected changes, and exciting developments in the realm of generative AI.

Ipsos champions the unique blend of Human Intelligence (HI) and Artificial Intelligence (AI) to foster innovation and provide human-centric insights for its clients. A cornerstone of this strategy is Ipsos Facto, a secure generative AI platform tailored for market research. Leveraging 15+ large language models and Ipsos' extensive research data, Ipsos Facto serves as a comprehensive toolkit for researchers. The platform streamlines various tasks such as administrative work, desk research, translation, data processing, and the development of questionnaires and interview guides. For instance, Ipsos Facto has significantly reduce the time required for qualitative data analysis, allowing researchers to focus on interpreting the data rather than gathering it. It also acts as a brainstorming partner, helping researchers generate new ideas and accelerate the extraction of insights from large datasets.

The platform also allows API connectivity enabling Ipsos to integrate AI into existing processes and research solutions, as well as develop and launch entirely new innovative products, leveraging Ipsos' proprietary frameworks and quality consumer data, to offer clients better value while significantly reducing time-to-insight.

Over the course of 2024 we have seen continued advancements in AI technology, which Ipsos has adeptly integrated into its operations. For example, the introduction of multimodal generative AI models opened completely new opportunities to process **image and video data** leading to development of new AI powered solutions in areas such ethnography, creative development or product testing. Additionally, Ipsos has observed a gradual shift in market dynamics, with clients increasingly seeking faster, more efficient solutions to complex research challenges. The deployment of Ipsos Facto has been instrumental in addressing these needs, enhancing productivity and allowing employees to focus on **higher-value tasks** that require human insights and creativity. This shift has not only allowed Ipsos to improve its value proposition but also positioned Ipsos as a forward-thinking leader in the market research industry.

Applying the lens of the BEST framework, which classifies the application of AI into four strategic quadrants: Boost, Expand, Shift, and Transform, to Ipsos' AI initiatives brings an interesting perspective. Currently, most applications of AI at Ipsos sit in the 'Boost' and 'Expand' quadrants, focusing on enhancing existing processes and expanding capabilities.

This is where with relatively limited effort, we were able to quickly introduce efficiencies to existing processes or offer new value to clients. In 2024 Ipsos Facto

platform developments focused around creating technological infrastructure to enable creation and deployment of **AI agents** that allow for execution of more complex research workflows. This in turn will allow Ipsos to further enhance and automate planning, execution and delivery of insights. With that in mind, over the next 12 months, Ipsos aims to gradually move towards the 'Shift' and 'Transform' quadrants, leveraging AI for more strategic transformations.

One of the most exciting aspects of generative AI at Ipsos is its potential to fundamentally transform the way we conduct research. AI has the ability to boost each element of the existing research process, such as improving data collection, analysis, and reporting. Additionally, it allows Ipsos to offer new value to clients in completely novel ways, such as providing real-time insights and more personalized research solutions. Ipsos believes that over time AI will completely transform the research industry, leading to new methodologies and paradigms that were previously unimaginable.

However, to enable this transformation, we need to focus on the human element. While artificial intelligence offers amazing potential for innovation, we understand well that it requires human intelligence to unlock its full potential.

The company's comprehensive global training program and AI certification have been pivotal in this regard, equipping over 9,000+ employees across 80+ markets with AI skills within three months of its rollout in August 2024, with an overall aim to get all Ipsos employees certified in 2025. In the Ipsos UK business c.90% of employees across roles and functions have already received their certification highlighting staff's full commitment to fully integrate AI into the research process.

This initiative not only enhances individual capabilities but also ensures that Ipsos remains at the forefront of AI-driven innovation in market research. This focus on continuous learning and development has fostered a culture of innovation and adaptability within Ipsos. At the same time, this initiative highlights Ipsos' commitment to responsible AI and reinforces our reputation as a trusted partner in the market research industry.

Ipsos' journey with generative AI over the past year underscores its commitment to leveraging cutting-edge technology to drive innovation and deliver impactful insights. By empowering its workforce with **AI literacy** and fostering a culture of continuous learning, Ipsos is well-positioned to navigate the future of market research.

As the industry continues to evolve, Ipsos remains dedicated to setting the standard for **responsible AI** use, ensuring that its clients receive the highest quality insights grounded in both human and artificial intelligence. This dedication not only benefits Ipsos' clients but also contributes to the broader market research community by promoting the ethical and effective use of AI technologies.

What 2024 taught us

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The past year has been transformative for the insights industry, particularly with the rise of the use of AI. What was once seen as a tool for automating mundane tasks, AI is now reshaping how insights are gathered, processed, and reported. At Behaviorally, we have embraced AI to drive innovation and efficiency, and our experiences highlight both expected advancements and surprising shifts.

Practical applications of AI in research

One of the most impactful applications of AI at Behaviorally has been the PackPower Score™, an AI-powered easy to understand one-number score of how a pack design would perform in market at driving purchase transactions. The AI-driven models assess elements like design, messaging, and even consumer engagement data, allowing us to offer predictive insights that help brands to optimize their packaging to increase sales. What once required lengthy consumer studies can now be processed quickly through AI models, providing **real-time feedback** for brands.

The ability of the PackPower Score to analyse packaging in real-time is a practical example of how AI can automate and enhance the research process. Traditionally, evaluating packaging effectiveness would require extensive consumer studies, but AI allows us to generate insights more quickly and at scale, providing actionable data for clients without the need for time-consuming manual processes.

Another practical use of AI has been in generating synthetic data to augment research samples. For example, when conducting surveys for hard-to-reach audiences or when certain quotas are difficult to meet, AI-generated synthetic data helps fill those gaps. In one study, the researcher needed to increase a sample size from 435 to 500 respondents. By using AI, they created **synthetic responses** that mimicked real data with a 99.5% accuracy rate compared to control data. This allowed them to complete the research quickly and cost-effectively without sacrificing data integrity.

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Unexpected shifts in AI adoption

While we anticipated that AI would play a larger role in research, the speed of its adoption has been surprising. One of the biggest shifts over the past year has been the changing expectations of clients. A year ago, AI-driven tools were often viewed as supplementary to traditional research methods. Today, they are becoming essential, with more clients demanding faster insights and expecting AI-driven solutions to provide more accurate predictions and actionable results.

Another unexpected shift has been the move toward using AI not just for analysis but for **creative collaboration**. Brands like Coca-Cola have used AI to co-create product designs that resonate with younger audiences, demonstrating that AI can play a role in both research and innovation. This blending of AI-driven research with creative processes is a new frontier we hadn't fully anticipated just 12 months ago.

Moreover, the ethical concerns around AI, particularly in the use of synthetic data, have grown as we navigate this new technology. Clients are asking more questions about how AI-generated data is sourced and validated, and whether it introduces any unintended biases. This demand for **transparency** has led us to develop stronger validation processes and clearer communication around the ethical use of AI.

Over the next 12 months, AI's ability to interpret emotional cues and social dynamics will improve...

Where AI sits in the BEST framework

Using the BEST (Boost, Expand, Shift, and Transform) framework, AI in research currently occupies a strong position within the Boost and Expand quadrants. Tools like the PackPower Score use AI to automate and scale data analysis, helping researchers identify behavioural trends and consumer preferences with remarkable speed. Predictive modelling has made it easier for us to forecast consumer actions and recommend precise strategies that drive business results.

However, we see a shift coming, where AI will increasingly play a role in the Shift and Transform aspects of research. Over the next 12 months, AI's ability to interpret emotional cues and social dynamics will improve, thanks to advances in **sentiment analysis** and AI-driven qualitative research tools. By integrating these aspects, AI will help researchers delve deeper into the emotional drivers behind consumer behaviour, providing insights into why people make certain decisions, not just what they do.

For example, AI-driven focus groups and emotional response analyses are already enabling researchers to capture deeper insights into consumer motivations like the use of GLADYS (Generative Learnings Attitudes and Decisions of Your Shoppers) at Behaviorally where we utilize a digital platform to help collate and parse through behavioural qualitative data. This shift will allow us to uncover more meaningful, human-centred insights that can inform better decision-making for brands.

The commercial potential of AI in research

One of the most exciting aspects of AI is its potential to transform the speed and depth of insight generation. The ability to deliver faster, more accurate insights is a major commercial advantage. Clients increasingly expect quick turnarounds, and AI enables us to meet these demands without compromising on the quality of the data.

AI also opens up new revenue streams by allowing us to offer predictive services that help brands anticipate trends, rather than simply react to them. In a competitive market, the ability to **predict** what consumers will do next is invaluable, and AI is enabling us to provide that foresight. As we continue to enhance our AI capabilities, we believe this predictive aspect will become even more important in the research industry.

Here's to 2025

The past year has underscored AI's transformative potential in the research process. Tools like the PackPower Score and the growing use of synthetic data have demonstrated how AI can streamline processes, generate predictive insights, and address long-standing challenges in market research. While we expected AI to make strides, the speed at which it has been adopted, particularly in creative applications and client demand for transparency, has been surprising.

As AI continues to evolve, its role in research will deepen, moving from purely technological and behavioural applications into emotional and social insights. The potential of AI is vast and, at Behaviorally, we are excited to see how these advancements will shape 2025 and beyond. By balancing innovation with ethical rigor, AI has the power to not only revolutionize the research process but also ensure that the insights we deliver remain both actionable and trustworthy.

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Lessons from our sensory bot innovation journey

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In the bustling world of AI, our story unfolds like a fable of discovery. An idea was born, a sensory bot, infused with all the wisdom of sensory science and the power of AI. It was undoubtedly an idea that sparked imagination and set us off on a journey of innovation and experimentation.

As we approach the final phases of development, the sensory bot stands as a highly targeted application of AI, underpinned by a deep understanding of the sensory product experience and all the sensory touchpoints that build into creating that experience. Each interaction with these sensory touchpoints between your consumers and our sensory bot is enriched by our deep product and sensory expertise.

As a sage moderator, the sensory bot navigates through these sensory touchpoints, uncovering what they signal and cue up to your consumers. The result? A holistic understanding of the total product experience journey, merging insight into what matters with why it matters, to empower us to strategically guide our clients as they innovate towards winning product experiences.

The sensory bot innovation journey took us into unchartered territory, revealing lessons that are reshaping our understanding of AI.

The era of AI

The initial six months of developing our sensory bot has revealed AI's immense potential. AI, at this stage, is akin to a toddler, eager, learning rapidly, yet still prone to mistakes that need careful correction before they become ingrained. And while not without its challenges, the most rewarding part of the journey with our AI toddler has been to witness how it is gradually turning into a very clever synergy of human expertise and artificial intelligence. A true partnership.

The imperative of imagination

Our experience in nurturing our AI toddler into a seasoned researcher underscored the imperative of imagination. It is easy to expect AI to inherently bring imagination to the table. However, it is indeed us, the creators and shapers of technology, who must look well beyond the allure of the "shiny new toy" and its enticing promises. Failing to do so risks limiting its potential. And this framed our journey of innovation

such that it evolved into one of training and refinement, guided by our expertise, but equally inspired by our imagination, to ultimately mould our AI into the solution our clients need it to be.

Beyond large language models

To fulfil the promise of a domain-specific model, tailored to uncover the sensory product experience, we had to endow our AI toddler with our sensory and product expertise. Early experimentation revealed that established large language models, whilst brilliant, did not suffice. They lacked the deep sensory know-how to effectively explore and unpack the sensory experience. Instead, we had to adopt a totally different approach. Consider asking a masterful chef, known for intuitive culinary creations, to write down their recipes embedding their expertise and experience into each element of the recipe. By doing so, we'd capture the essence of their intuition in a tangible form. And that is exactly what we had to do to train our AI. It involved a good bit of debate, lots of reflection, and a steep learning curve, as we figured out what we know – and sometimes don't know – and how to externalise this expertise in a way that our chatbot could learn from it.

Leading with discipline

There is no doubt, when innovating with AI, it is critical to take the lead – rather than being led by it. It's akin to taking an AI toddler by the hand – yet, as with any toddler, its charm and persuasiveness can easily distract, especially in a world filled with AI possibilities. To counter this requires a brave kind of discipline and a steadfast focus on the client value. In fact, we'd argue that in the era of AI, where almost anything seems possible, discipline in innovation is more important than ever before.

The dreams that matter

Our journey is not purely about avoiding being led astray by AI; it's about ensuring AI follows us – and our dreams, even the brave and fearless ones. It is in our dreams that we find the heart of innovation, the purpose that fuels us. But innovation is not just all heart, it is also part art. And art requires the courage to transform that purpose into reality, fusing disciplines, expertise, technology and AI, moulding and balancing these to take the precise shape we need it to be. And when the heart and art of innovation spark together, we can create and innovate beyond the obvious, beyond individual expertise.

And so, our tale of discovery with our sensory bot led us to a new understanding of the shape of AI – more specifically a renewed appreciation that we can realise AI's greatest potential when guided by our expertise, inspired by our imagination, and led boldly from the front. And isn't the greatest potential always achieved through partnership, working and blending expertise? It is in this synergy between human ingenuity and artificial intelligence that we find the essence of brave innovation – a story that began as a fable and turned into reality.

Generative AI for supporting analytics

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With the advent of generative AI, universities and other education providers are faced with new, yet interesting, challenges. Handling plagiarism, for example, has become more important than ever before, and the learning experience of students would be minimal in the worst-case scenario. However, every development yields risks and opportunities, and generative AI is no exception. It is now realised that to remain competitive, students, graduates and practioners in business analytics, and other disciplines, require knowledge about the opportunities offered by generative AI in each phase of analytics.

In the early phases of research generative AI can provide feedback and criticism to ideas of the researcher and may even generate novel ideas. All feedback and ideas do need to be fact-checked, but with suggestions about for example the variables to be included in the research the search becomes directed towards specific constructs or topics instead of a needle in the haystack type of exercise. Generative AI is also applicable as data collection chatbot, which has been discussed extensively by others.

A particularly surprising possibility of generative AI is the support that it can offer during the analysis of data that may have been collected by chatbots or through other channels. Generative AI applications, such as ChatGPT, are surprisingly useful for the selection of appropriate techniques of analysis.

Nevertheless, human interpretation remains crucial. For example, when analyzing the relationship between age and income, specific details need to be provided to ChatGPT. Income is on average highest for those people with an intermediate age, pensioners tend to earn less. Communicating this properly in the prompt to ChatGPT or another AI tool requires **domain knowledge**. As a result, a somewhat more sophisticated analysis than the Pearson correlation would be suggested, i.e., linear regression in which a quadratic term for age is added. Then, when selecting an appropriate technique Generative AI can thus support the analyst, instead of replacing the human input.

Another task of analysts that relies on a limited set of formal rules is programming the machine learning code in for example R or Python. If the applications are not too exotic, generative AI can provide codes that need little fine-tuning at most, which saves **programming** time.

Interpretation of the results of an analysis is more conceptual, whether it concerns cluster analysis results for segmenting different consumers in the market, the results of factor analysis or the interpretation of regression analysis output. For example, labelling and describing clusters requires knowledge about the context, the marketplace, the products in the market and many other relevant factors.

Can generative AI provide useful input when so much context knowledge is required instead of just having a requirement to follow a limited set of rules? Having applied this to for example various **cluster analysis** results I can confirm the utility of Generative AI in terms of this seemingly more human task.

When labelling and describing clusters generative AI provides an almost free to use alternative lens on the analysis results. It will provide perspectives on clusters that are missed by the analyst and these perspectives may have useful marketing or other implications. In addition, many analysts enjoy conducting analysis more than writing up a report, generative AI has the capability of providing written starting points for cluster descriptions, making this task less time intensive.

In the example of interpreting cluster analysis results the role of the analyst again remains crucial; the human perspective provides an additional lens on the outcomes. Generative AI may provide some less appropriate interpretations or miss context-specific points. Some nuanced patterns also remain dependent on human interpretation.

Having said that, in my experience generative AI provides useful additional ideas to human interpretations and **novel perspectives** in every single cluster solution on which I used this and thereby is a cost-efficient means to provide additional insights. For other techniques, that are more straightforward and formal to interpret than cluster analysis, such as bivariate analysis techniques and regression, generative AI is an even more effective complement to the analyst's interpretation.

Summing up, generative AI makes a great **sparring partner** for every step of the research process - it makes us more efficient, provides useful complementary interpretations, and let's us think in different ways. Generative AI should therefore be one of the tools that students in business analytics and other disciplines become acquainted with and is a useful asset for practioners in analytics, but it will not replace human knowledge.

Obviously, there are many other key points to consider beyond the scope of this short piece, such as ethics in AI, keeping up with the rapidly evolving trends in the field and the role of AI in supporting decision making with analytics; these are points which researchers will also need to become familiar with.

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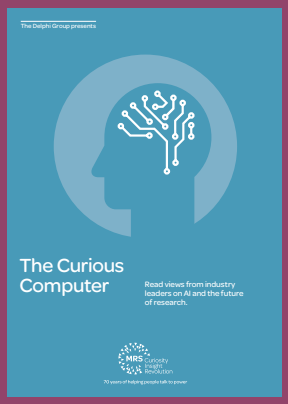

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