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Inside the Consumer Mind™

Doing good

Jane Bainbridge
Editor

These can be turbulent times for market researchers. Globally, we're facing the implications of a slower economy; nationally, austerity-driven changes in consumer purchasing habits bite; the eternal pressure on marketing budgets continues to weigh heavy; and recognition is growing of the very real medium- to long-term changes to the work environment – as computers gain greater power and never-before-imagined jobs are under threat from artificial intelligence.

Against this bleak backdrop, it's pertinent to be reminded of the positives. In part, they can be found in PwC's report, commissioned by the Market Research Society (MRS), into the business of evidence (p10).

This gives comprehensive and enlightening information on the value of the UK market research industry – all £4.8 billion of it. It illustrates how the tentacles of research now twist and turn into so many aspects of business – from the science of behaviour offering a gateway into the subtlety of people's predilections, to the science of data finding the minutiae of purchasing choice in the mass of big data.

Those with the skills to understand data, hone the insight and communicate the relevant business implications will be valued indeed.

And there was plenty of opportunity to champion the role of market research, and to see the evidence of its positive impact, at the MRS annual conference, Impact 2016 (p20).

Speakers ranged from clever and thoughtful – Rabbi Julia Neuberger – to industry superstars – Stan Sthanunathan – and the entertainers – Bill Bryson and Richard Osman. But as well as the headliners, two sessions demonstrated that insight is a force for good, where market research agencies worked with clients to develop programmes and strategies that absolutely changed people's lives for the better.

One brilliant example is the work that Catalyx did at the International Committee for the Red Cross, to allow innovation to thrive and, quite genuinely, transform the way problems facing the charity's fieldworkers could be overcome (p56). With help, that organisation has revolutionised idea generation in a way that will save more lives. And that is to be celebrated.

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Phillips is a journalist, broadcaster and author. A regular contributor to *Impact*, he wrote the relevancy special report on p32.

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Morgan is a former researcher, and is deputy editor of *Impact*. For this issue, she interviewed Pat Thomas at grocery firm Premier Foods p44.

Will Amlot

Amlot photographed James Daunt for our Profile piece on p26, as well as the action shots for the annual conference p20. willamlot.com

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AWARD-
WINNING
IMPACT
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MRS Curiosity
Insight
Revolution

Testing significance

If you were to ask me what is the most valuable thing I have done in my working life, I think the answer's quite easy. I once asked a client in the restaurant trade what they did when an item on the menu wasn't selling very well.

"We drop the price," they replied.

"Good idea. But do you try raising the price first?"

"No."

"Go on, try it occasionally."

They did. The first time they took my advice, demand went up. A lot.

To be honest, I was lucky. The tenets of mainstream economics are mostly correct in that increasing the price of something will depress demand, but it's not an iron-clad rule. For instance, when people choose from a menu, the usual price-demand relationship is weakened. Some hungry diners may be disposed to buy pricier items. Also, since restaurant visits are often seen as a guilty treat, there may be a disposition not to skimp.

In one sense, I was giving bad advice. The balance of probabilities was that raising the price would cut demand, but I wasn't interested in that. My point was that the cost of being wrong was different in both cases. Drop the price and demand falls – catastrophe; increase it and demand falls – survival; increase it and demand rises – [adopt Borat voice] High five!

Being conventionally right is often what people are looking for in decision-making. It's a good way to protect your job, after all. But, if you wish to make a proper business decision, being boringly right is a poor aspiration; apart from anything else, you will end up like your competitors. It's also important to consider the consequences of each eventuality alongside the likelihood of the outcome. If the cost of trying

"Being boringly right is a poor aspiration"

the wrong answer is low, and the upside potentially high, it's worth trying a 'slightly wrong' answer.

I notice this disparity between 'reliability of findings' and 'consequences of findings' when talking to academics. Social scientists are obsessed with p-values. Any experiment where the probability of the result being subject to chance is less than 5% ($p<0.05$) is regarded as statistically significant and is hence career-advancing; fall just outside that range and you have just wasted three years of your life.

I occasionally ask academics whether they have any interesting failed experiments we can use. You see, if just 20% of people do something anomalous 10% of the time, that's useless in an academic paper but valuable to a business.

What I didn't know until recently was that, when it first arose, the creators of statistical significance-testing were alert to this problem. William Sealy

Gosset, better known as 'Student', and the deviser of the 'Student's t-test' regarded the figure of 0.05 as arbitrary. He believed the degree of certainty you should look for depended heavily on what use you planned to make of the result. If you were intending to place a huge bet with a small return, 0.05 was still dangerously high; for other purposes it was far too low. Gossett worked for Guinness, and could see that the degree of certainty required depended on the consequences. R A Fisher, unusually for a certified genius, more or less overruled him.

Many in the economic and decision sciences regard this arbitrary barrier as absurd; for instance here's Deirdre McCloskey's view:

Let us examine the 5% rule of statistical significance. When a gambler bets, does she insist on 19-to-1-on odds before choosing a horse? What does a rational brewer do about the 5% rule when buying hops to make a beer he sells for profit? Should the UK Parliament or US Congress enforce a rule of 19-to-1 odds, or better, for a new surgical procedure that may save the life of the nation's leader?

Yet this arbitrary number is still oddly influential. There may be a reason that it is prevalent in academia – academics' sole currency is reputation, and to bullet-proof it you need to prove you are right. But the currency of business is money. To make money, you don't need to be right – you simply need to be less wrong than someone else. Deirdre McCloskey believes that significance testing has caused significant loss of life in the pharmaceutical industry. In the rest of industry, I suspect, it has caused significant loss of wealth. ∎

Rory Sutherland is vice-chairman, Ogilvy & Mather UK

UK – p10
PwC's Business of Evidence 2016 report delves into the details of the market research industry in the UK – valued at £4.8 billion.

UK – p14
The EU referendum in June will see the UK's pollsters under the spotlight once again. Martin Boon of ICM gives his perspective on the task ahead.

Global briefing

News, views and insight from around the world – from cultural divisions in Turkey to how UK pollsters plan to tackle the EU referendum. Edited by **Bronwen Morgan**

Africa – p18
SMS research is used in development communities for researching defined communities and gaining insight during times of crisis. A study by TNS and RTI investigated its potential application for population-based surveys.

Turkey – p16

Consumer choice in Turkey has become more politicised since the ruling AKP party came to power in 2002, says Sabine Stork of Thinktank. Foreign agencies working there must be sensitive to the divisions that have resulted.

India – p12

Sabrina Schöder of Happy Thinking People outlines some of the numerous fast-changing facets of Indian culture and what implications these could have for marketers and researchers.

Expanding evidence

The value of market research in the UK has grown almost £2bn in the past four years, according to PwC's report on the industry. By **Jane Bainbridge**

It has been four years since the value and importance of the market research industry to the UK economy has been properly quantified. But now, with PwC's report *Business of Evidence 2016*, an up-to-date and comprehensive review shows that almost 73,000 people are employed in an industry now worth an annual £4.8bn.

This represents a rise of almost £2bn since 2012, with the addition of close to 14,000 full-time equivalent (FTE) jobs.

With a growth of 62% since 2012, the UK is now the world's second-largest market for professional research. This is massively outstripping that of the UK economy as a whole, which has grown 8.7% in the same period.

The study – carried out by Research to Insight (r2i), PwC's global centre of excellence for market research, and commissioned by the Market Research Society – revealed that the UK research sector contributes just over 0.3% of total UK GDP.

Its analysis is based on a data review from sources including ONS, ESRC and BIS surveys, the MRS Annual Survey and League Tables, Forbes and IDC forecasts, as well as PwC's own analysis of UK employment and salary trends. It also did a quantitative market survey of research suppliers, private sector businesses, analytics houses, local authorities and charities. To complement the primary and secondary analysis, 10 in-depth interviews were conducted with key informants in the UK research and analytics sector.

So what is behind this phenomenal growth? Perhaps inevitably – data analytics. This has seen an uplift of 350% since 2012 and now employs 6,700 FTEs. But perhaps more surprising is that qualitative research has also been identified as a key area of growth.

Julie McClean, senior manager, PwC r2i, said: "This was a very strong finding, from both the survey and key informants; they all agreed there was a resurgence and re-emergence of qualitative. We see it as a counterbalance to the growth of big data.

"There is so much data available now in the digital age; organisations are doing their best to analyse this but, in doing so, they are missing out on the human touch. They're not doing so many surveys and they realise they need to find a way to continue talking to human beings. We also heard a lot about enthnography and how the traditional focus group will always have a place; if anything, they are more valued than they have been in the past," she said.

The shift towards greater emphasis on data analytics has changed the type of people the industry needs to hire. The report identified four key attributes needed by the researcher of the future: be business savvy; have strong data analysis and interpretation skills; be a good communicator and storyteller; and a flexible, agile, early adopter.

"Someone with the required skills – data analysis, commercial awareness and an ability to communicate – is a rare person. Even those with bang up-to-date analysis skills are hard to find – people who can mine the data, do predictive analytics and work out what that means for the

Top business benefits of research and analytics

Increased efficiency

More confident decision-making (evidence based)

Cost savings
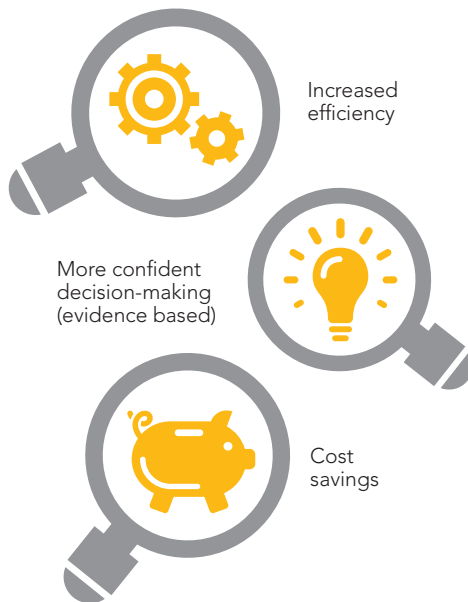
The UK research and analytics market
A key influencer

71%
agree that research is an important catalyst for change

69%
agree research is a vehicle that gives people a voice

68%
agree that market adapts quickly to developments in new technology

The researcher of the future
Key attributes

- Business savvy
- Strong data analysis and interpretation skills
- Good communicator and storyteller
- Flexible, agile, early adopter

Future challenges

Attracting high-calibre talent

The image of the industry – does it appeal to emerging talent?

Averting a skills shortage

organisation. We also heard there aren't many courses in the UK delivering [these attributes] and that's an area that universities need to start to think about," said McClean.

"Fintech is seen as our biggest competitor; a number of our key informants wondered 'how attractive is the MR industry to young talent?'. There was a feeling that Fintech is more attractive and agile, and that market research is seen as a bit boring. It will be a challenge in the future if the talent that we need isn't widely available and Fintech is looking for the same people."

Emerging methods identified in the report were behavioural economics, neuroscience and research involving wearables.

"Behavioural economics and neuroscience are increasing, as there is a focus on behaviour and culture. We're seeing that from the public sector and financial services – such as a focus on culture of banks, and behaviour of employees in workplace. So behavioural economics and neuroscience are developing in response," added McClean.

Among the other findings from the report were that 36% of UK-based agencies' turnover, worth £1.7bn annually, is generated globally, and that around 66% of employees are in London and the South East – making the sector worth £3.2bn to the greater London economy.
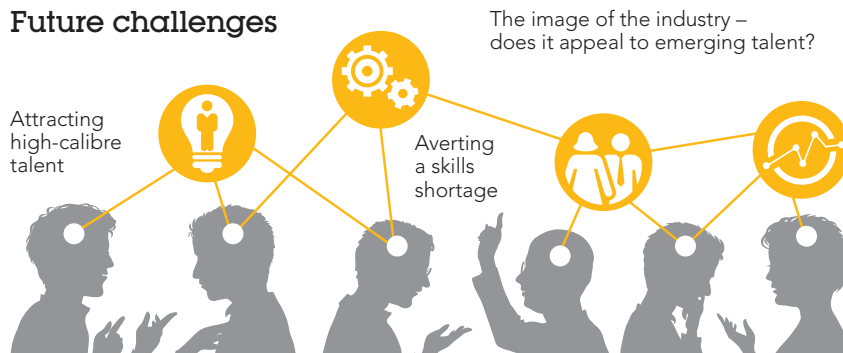
INDIA

A continent on the move

India is on an upward curve, both economically and aspirationally. What does this mean for marketers and researchers? **Sabrina Schöder** of Happy Thinking People discusses potential outcomes

India has long been on the periphery of the radar of many market researchers at global headquarters. But the facts and figures make us sit up and think: India's GDP is growing by 7% year on year and is forecast to stay that way for the next three.

It is the world's seventh-largest economy by GDP and, measured by purchasing power parity (PPP), is the third-largest. It is home to more than 1.2 billion people, has 29 states, seven union territories, 22 recognised languages, and – at a rough estimate – more than nine religions.

It sounds optimistic, and the reality is indeed upbeat, full of energy, but very complex. India comprises multiple traditions, cultures and beliefs, which vary not only from region to region, but also among generations.

Add to that the rapid pace of change – some aspects of which we outline here – and you begin to appreciate that to succeed in the new India you need a firm grasp of what's going on, on the ground.

1.2

Growing by 7%

A new mindset
A new wave of Indians with a fresh mindset is materialising – more than the phrase 'emerging middle class' suggests.

While many still follow ancient traditions, lead a simple life and face daily struggles of survival, there are also a large number that are optimistic and aspirational, with increasing access to education and the business market.

Recent societal and economic developments have delivered a huge boost – both economic and mental – to the current generation. This has been across almost all social classes, leading to a sea-change in mindset and triggering a new spirit – India, and Indians, are on the move.

Rediscovering one's roots
An important shift has been in the changing attitude towards

billion people

29 states

western brands. While for a long time western brands and influences were hugely aspirational, absorbed and integrated almost instantly, now there is a new movement towards appreciating Indian roots and thereby creating new Indo-western adaptations.

Consumers are localising and merging the new with the old. They're not leaving their traditions behind, but finding and inventing new variations that successfully marry existing habits with new products.

This is what is called 'jugaad' – the Indian term for impromptu, clever solutions; the ability always to find a way with whatever is available, even if it might be unorthodox. This allows a very focused, flexible and fast approach towards an end goal without being held back by set structures and processes.

Political initiatives – bridging social boundaries

One strong force of change is a new, positive political energy.

There are numerous government investment initiatives and campaigns fostering upward social mobility, such as Make in India, Startup India and Smart Cities, all of which are aiming to increase civic sense and green awareness, and – ultimately – support the emergence of a new generation that crosses social boundaries, enabling access to a better future.

Female empowerment plays a hugely important role in this – the genders are still treated very differently in India. Government initiatives, including access to educational resources and the funding of country-wide self-help groups, are being initiated to foster a broader societal understanding of gender equality, and to counter potentially deep-rooted gender discrimination.

The Indian government is investing in numerous initiatives to improve the quality of life, one of which is the recently launched Smart Cities project that focuses on accelerating urbanisation, which in India is still under 31% – far lower than comparable countries such as China (54%) and Brazil (90%).

The project involves 100 cities being targeted for support in improving infrastructure: securing reliable water and power supply; ensuring decent sanitation and solid-waste management; public transport; and robust IT connectivity, e-governance and citizen participation. The investments are targeted to help millions more Indians reach their dreams of a better life, with the hope of increasing living standards and leapfrogging into new aspirations, lifestyles and consumerism.

Digital India is the government's mission to connect rural India – still 70% of its total 1.2 billion population – to high-speed internet. Facebook is currently debating with the government whether to get approval to provide free but limited access to the internet to everyone.

Marketing and research in the new India

For many brand owners, the jugaad phenomenon - the mixture of new dynamism and flexibility - is challenging. At the same time, many western marketers see that their approaches need to adapt quickly, simply because tried-and-tested adaptations of western versions don't work anymore.

Equally for researchers, there's a need to adapt methods, employing jugaad-style – as opposed to agile – flexibility, and, of course, to embrace new, more experimental approaches.

Mobile research methods are on the rise, since every method needs to be cost-effective. It's a challenge that those with experience of the culture and expertise in both traditional and emerging research tools are rising to – handling complex and strategic studies with limited budgets and quick turnaround. In a country of 1.2 billion consumers, it's 'Agile XXL'.

Outlook

During the next decades, India's economy is expected to grow annually by 8% – overtaking many competitors – to take the number one global growth slot, and with rosy prospects if the trajectory continues. We don't know yet if all the initiatives and movements will be successful but, if India continues its current path, it will produce a vast number of educated and aspirational people who will easily compete with the developed markets.

Sabrina Schöder is managing director of Happy Thinking People's Mumbai office.

UK

Under the spotlight

With the EU referendum on the horizon, UK pollsters are wary of repeating the failures surrounding last year's General Election. **Martin Boon** of ICM offers his perspective on the task ahead in the coming months.

June 23 is not a date that the UK's political pollsters will be particularly looking forward to. The calamitous polling experience of 2015 is still fresh in the mind, new polling methods are still unwrapped in some cases - never mind properly put to use - and the fear of getting consecutive electoral events wrong is pervasive. The morning after may require a dose of Prozac rather than a celebratory hangover cure.

Meantime, the industry looks on, as do the media, the academics, the activists and the bewildered public. Let's pity them all, for the messages we currently send merely serve to reinforce a reputation so brutally scarred by last year's events. EU referendum polling is now too engrained to face down the mode problem: telephone polls show a relatively comfortable 'Remain In' victory; online polls suggest a close finish, with perhaps a Brexit outcome. Yes, we face the possibility of predicting the wrong result again. Batten down the hatches.

I'd like to provide some reassurance here, but I can't and I won't. You can be sure that much of my time has been spent trying to solve 2015 riddles in preparation for this next test – and I'm not alone in that. Pollsters all seek pinpoint accuracy and nobody should doubt our collective integrity or desire to achieve the right result. But I have little idea whether my significantly expanded methodological and technical polling armoury has the right weapons for this battlefield.

Of course, it's right that we focus on why different data collection methods are producing different results. At ICM, our published polls are still conducted once a month by telephone, but to date have not included referendum questions.

So, while there's no corroborative evidence in this building that our polls would also produce a significant 'Remain In' lead, the assumption should be that they will do just that.

I think I know the reason, and it's nothing to do with the referendum itself. In six of our nine post-2015 phone polls to-date, the raw sample has recalled voting in Ed Miliband as Prime Minister last May. The other three recalled a pretty tight race too. So, phone polls continue to suffer from the single material observation of the BPC Polling Inquiry in 2015 – that raw samples are biased in favour of Labour.

Why should this matter? Well, Labour voters fall in the ratio of 2:1 in favour of remaining in the EU. Too many of them fixed in the

sample will skew the referendum result towards that outcome. It's as simple as that. Past vote-weighting Labour voters (down) helps marginally, but as 2015 proved, by nowhere near enough to eliminate the bias. In my view, while other factors apply, the phone polls are pushing the 'Remain In' share a little too far one way.

Online polls suffer from a different problem – too many UKIP voters. My own online tests have suggested this week-on-week, with all online polls overstating UKIP before the 2015 election – some quite sizeably so. Suffice to say, having too many UKIP types in the sample has obvious implications for EU referendum outcomes – pushing the results a little in the opposite direction.

Hence we have an exaggerated gap by mode – each side pushed a little away from the other. I believe the 'truth' is somewhere between, and it might well be that – as the public becomes more and more engaged with the four-month campaign – we'll see this effect diminish. But then of course, we'll probably walk into herding accusations.

There's so much more to the debate than this, and it would be wrong to conclude that one-dimensional issues affect each data collection methodology. But let's be honest and clear – we approach this referendum only too aware that numerous critical eyes are on us, desperate to prove the value of what we do, but only able to hope, rather than expect, our polls return to former levels of accuracy.

Martin Boon is director at ICM Unlimited

TURKEY

All there in black and white

Turkey is becoming an increasingly black and white society. **Sabine Stork** of Thinktank International Research discusses how this is translating into two distinct types of consumer behaviour

In Turkey, political considerations are feeding into economic factors to influence purchasing decisions and social interactions.

The country's 'Black Turks' – predominantly working class, less urbanised and often more pious – are drawn to home-grown brands. On the other hand, 'White Turks' – middle-class, more open to international influences and generally more secular – are attracted instead to western goods and services.

While some of this is to do with the regular economics of a developing market, with consumers gravitating to what they perceive to be higher-quality western brands as they grow more affluent, choice has become more and more politicised since the ruling AKP party came to power in 2002.

Black Turk purchase preferences now tend to favour Turkish companies, which have prospered because of their relationships with the government of Recep Tayyip Erdoğan. However, White Turks are actively eschewing those same brands and turning to rival firms to express political defiance through their retail choices.

Not that any of these brands necessarily have overt political links. Rather, it's that their owners' stances towards the government – along with either their religious affiliations or secularism – give consumers the right pointers, driving their behaviours.

Turkish observers have remarked that companies close to the government have done extremely well in the past 14 years, thanks to state deals and favourable regulations, while those without friends in high places may have suffered. Those connected brands are the ones favoured by Black Turks, but they are then avoided by their White counterparts.

The opposing terms were coined by journalist Ufuk Güldemir in his 1992 book *Teksas Malatya*, and subsequently popularised by Turkish columnists and political scientists who used them to denote Turkish social groups. While it is regarded as derogatory to call someone a Black Turk or White Turk to their face – and the terminology is not really part of common discourse – people are fully aware of the language's connotations.

But how does the distinction actually play out for brands on the streets?

The Black choice of beverage, for example, would be food brand Ülker's Cola Turka, launched in 2003, while Whites would more likely opt for Coca-Cola, knowingly and actively shunning the purchase of a can of Cola Turka. And, in terms of retail destinations, the more traditional Turkish shopper would head to market-leading discount grocer BIM, while a Western-leaning consumer would more likely look to visit stores operated by French supermarket chain Carrefour.

Part of this is down to economics, of course. In recent research in the fuel market, Thinktank found

strong preferences for what middle-class consumers saw as premium Western fuels, though they looked down on home-grown petrol station brands as being territory for the less affluent.

However, Turkey's shopping mall boom, part of the rash of construction projects across the country linked to increased suburbanisation, is also providing a stage for the Black/White consumer schism. There are some 370 shopping malls across the country, with just under one-third of these located in and around fast-growing Istanbul, and they do manage to attract shoppers from across the spectrum. But, while White Turks will head to the malls to shop, eat and watch films in their cinemas, Black Turks will most probably go there to meet others rather than engage in any heavy retail activity.

"I've noticed that people from rural areas come to shopping malls to socialise, and one reason for that is there's no alcohol served there," notes Erdogan Gundogdu, director of Eksen Research in Istanbul. "And Istanbul, in particular, is terrible in terms of offering public or green spaces. Therefore, much of the population is left with the malls for social activity."

But while Black Turks may congregate in the shopping malls, some localities can be no-go areas. The area surrounding Taksim Square holds no attraction, largely because it's a White Turk hangout where alcohol is readily available.

So Black and White Turks don't mix and have a somewhat confrontational relationship, something that naturally needs to be factored into market research projects conducted in Turkey – from moderator choice through to sampling, interpreting responses and marketing campaigns.

"In the past, people used to hide their religious beliefs. Now they go out of their way to show just where they stand," says Gundogdu. "Male moderators talking to females was never an issue, but now we feel we have to ask respondents if they're happy speaking to another gender."

In one recent project Thinktank conducted in Turkey, young working-class males reacted disapprovingly to what they saw as women being pictured in provocative poses. Their urban, middle-class counterparts did not bat an eyelid.

This means that as foreign agencies working in Turkey we must be sensitive to the divisions in Turkish society – for example, avoiding qualitative sample designs that inadvertently mix Black and White Turks in groups.

Sabine Stork is founding partner at Thinktank International Research

AFRICA

Mobile measurement

Conducting survey research in developing countries is often made difficult because of a lack of infrastructure. A team from TNS and RTI looked into whether SMS-based surveys could be used for representative research in sub-Saharan Africa. By **Bronwen Morgan**

In development communities, SMS research is currently used in a number of scenarios. The cost-effective approach – useful because it works on any phone and has the potential to reach formerly inaccessible populations – involves individual text (SMS) messages being sent to respondents' mobile phones. If that person responds, they receive another question and, if they respond to that, they receive another, and so on.

It has been used with relative success to research existing defined populations – such as school headteachers and health workers reporting on school quality and medicine stocks, for example – for rapid evaluation, or for gaining insight from people on the ground during times of crisis.

But when it comes to population-based surveys – that is, surveys representative of an entire population – the approach is not well tested. Melissa Baker, regional director for public affairs research for Africa and the Middle East, alongside Dr Charles Lau, survey methodologist at RTI and Dr Ansie Lombaard – global technology enabled research (TER) innovation director at TNS, set out to test whether it was a viable way to collect information that would be representative of an entire population.

The team carried out research across Kenya, Ghana, Nigeria and Uganda with two key objectives. The first was to ascertain sample representation validity– that is, comparing how close a mobile phone-only sample would be to a sample including mobile phone owners (achieved using a face to face sample). The other objective was to test a number of design features of SMS surveys to find ways to improve the response rate to questionnaires.

On the first objective, the findings were fairly clear: representativeness is not easily achievable via the SMS method. "Because of very low response rates from SMS population surveys like this, where we're basically sending the SMS to people that aren't expecting it, that introduces quite a bias in the sample," says Baker. "In development work, we want to make sure we're covering a representative sample, especially including the poor. And SMS really doesn't do that – it has a strong bias towards those with a secondary education or higher."

For example in Kenya, compared to the face-to-face sample, SMS respondents were more likely to have more than one SIM card, less likely to have anyone else use their SIM card, and more likely to be aware of and use the internet.

There was another key difference, says Baker. "For some of the countries it's quite legal just to send out an SMS to anyone with a phone," she says. "But, for other countries there's a kind of opt-in process." In Kenya and Uganda, where network providers had previously gathered demographic data from people and had some form of opt-in process, response rates were much higher than in Ghana and Nigeria, where messages were sent out on a blanket basis.

Looking more generally at the research design, it was found that incentive levels and questionnaire length had very little effect on response rates. The team tested two different incentive levels, and found that the response rate was hardly different if respondents were paid 50c or US$1.25 – though Baker admits that stepping the rate up significantly could increase response rates, but this wasn't tested.

Looking at questionnaire length, although the majority of people dropped out after the first couple of questions, if they stuck with it beyond that then the team achieved the same response rate for 16 questions as for eight questions.

The big lesson from the study, says Baker, is that if you want a representative sample you can't use SMS. But, she says, things are changing fast.

"We'll be keeping an eye on mobile uptake – people are gradually getting more familiar with SMS in sub-Saharan Africa. But in countries where we have crises going on and we need to get some kind of response – for example getting into Somalia or other war zones – SMS is obviously really useful for that. It's maybe the only way of getting information quickly from a large sample on the ground." ∎

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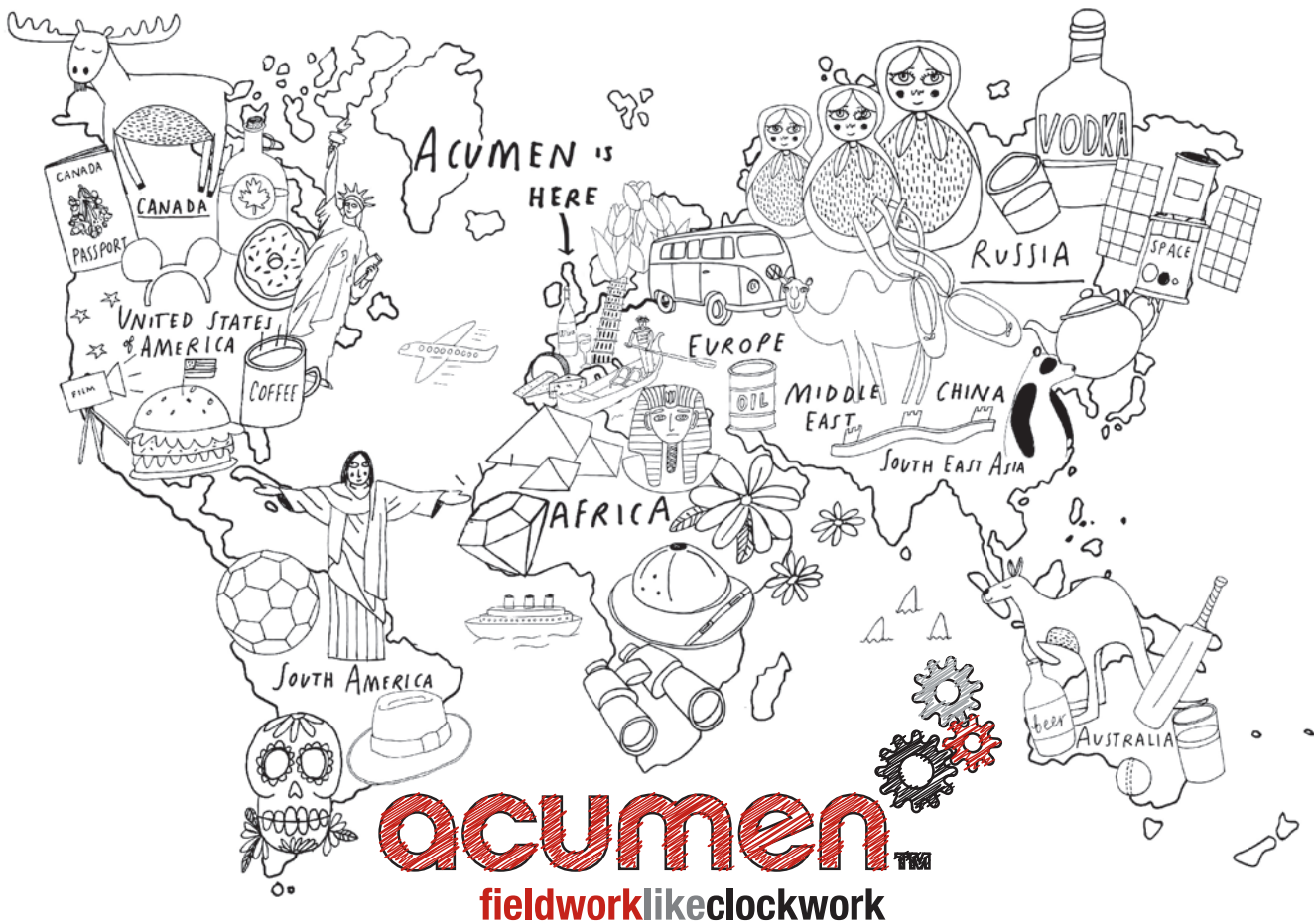
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Two days of inspiration and insight

Making data actionable to drive return on investment (ROI) – but also trusting people's instincts and intuition – are key to running a business, said BT CEO, Gavin Patterson, in the opening keynote interview of the conference.

"The key is not data; the key is insight. In a world where we are awash with data, what we need to identify is the signal from the noise," Patterson told delegates.

"I think the most important [challenge] for a business like ours is how we use this huge bank of data on customers and prospective customers, and turn it into operational insight that allows us to understand the needs of customers better, and develop products and services."

He added that "great marketing-led businesses are able to develop people with great instincts for what people would buy".

Patterson described BT's historical position at the forefront of technological change, but stressed that innovation should not exist exclusively within the realms of R&D.

"Great businesses are able to flourish over the long term not because they've got a technology advantage or a product advantage, but because they have the right people and a culture that enables them to identify the next trends."
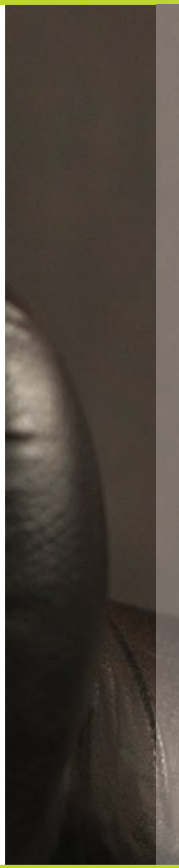
Access to tech resources in school

What is presented by companies as philanthropic behaviour is often just self-serving publicity seeking, said Andrew Harrison, deputy CEO of Dixons Carphone, at a session on using insight as a positive force.

Determined to "stop and think and do something for good", Harrison posed the question, if all school children had access to a tablet device, could it fundamentally change their experience of education? With that in mind, Harrison became involved in setting up a charity – Tablets for Schools, eventually renamed Techknowledge for Schools – which aimed to find out.

Harrison said research was at the heart of understanding the impact of this work. As part of the project, Techknowledge for Schools and research agency Family, Kids & Youth built the largest independent research study in the world, looking at mobile learning in UK schools.

Dr Barbie Clarke, managing director of Family, Kids & Youth, spoke of how this research had underlined the idea that equality in education is driven by access to resources, so it is vitally important that the same resources are available to all.

The research has also demonstrated that, while the difference technology can make is clear, it is also important to develop and implement a learning strategy to support its use. In the same way that not all children have access to technology, Clarke said, there is also inequality in the extent to which teachers are being trained to use it in their teaching.

Techknowledge for Schools shares its research to help educational establishments "make informed choices and transform teaching and learning". It has also produced learning materials to help schools give guidance on staying safe online.
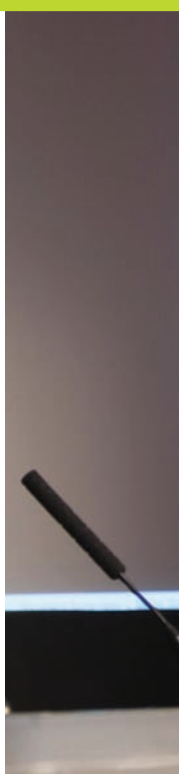
> " Research depends on the type of book I'm writing. If it's a travel book, then I travel and do some reading, and sometimes encounter something that requires me to do additional reading; by and large, travelling and having experiences, and relating them as interestingly and amusingly as I can. If I'm trying hard to convey facts accurately and interestingly, this takes a lot of research. Other parts of my research involve going into libraries and reading and reading and reading – that's one of my favourite things in the whole world. "

Bill Bryson (right)
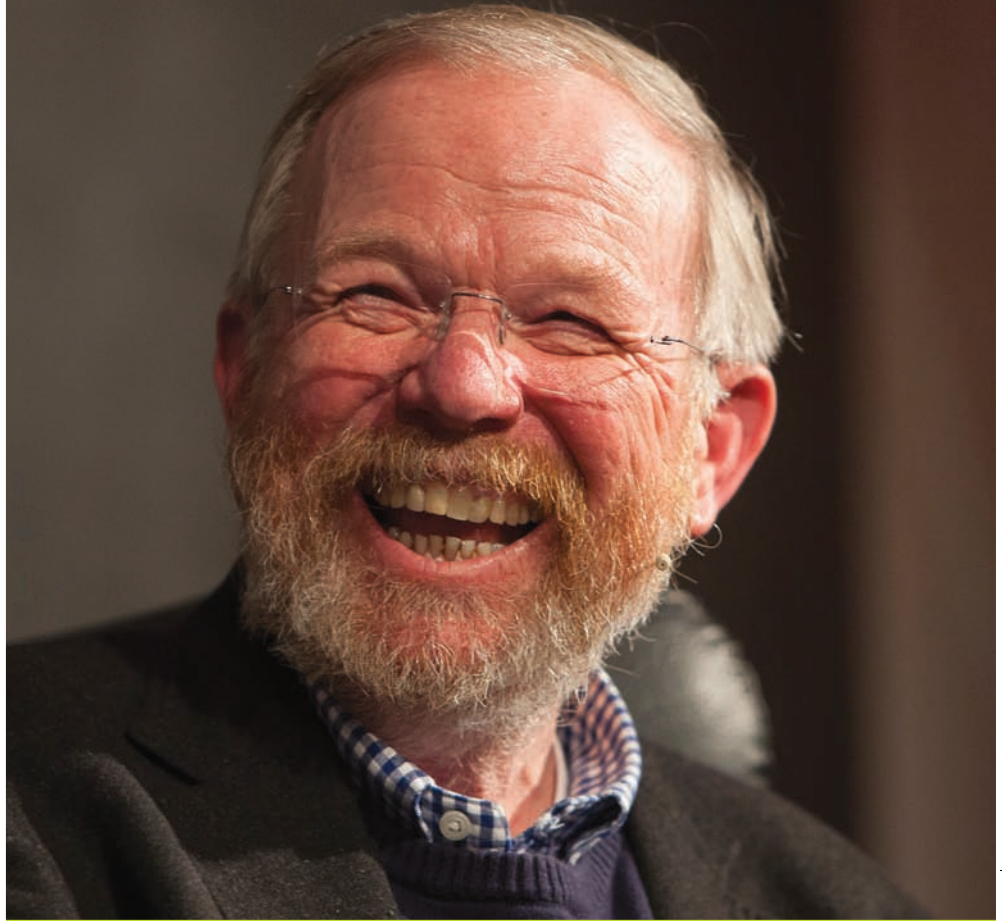
Research vital to combat 'hysteria' around migration

Bobby Duffy, of Ipsos MORI's Social Research Institute, presented longitudinal research looking at changing attitudes towards, and influences on, migration over about 10 years. He discussed four myths and realities typically related to the issue, as well as research that addressed each one:

MYTH: THE MEDIA CREATED CONCERN AROUND IMMIGRATION

Ipsos MORI's research shows that a rise in migration preceded news coverage and public concern. While, in 2004, the biggest predictor of being concerned about immigration was *Daily Mail* readership, in 2014 it was voting UKIP.

FACT: THE PUBLIC OVERESTIMATE THE SCALE OF IMMIGRATION

When asked to estimate the percentage of immigrants within the population, people in the UK guessed 25%, when the reality is 12%. Those in the US estimated 33%; the reality is 14%. It's difficult to isolate the cause and effect of this; emotional innumeracy can have an impact, where people want to be accurate with their answers, but also want to use their estimate to send a message about their concerns on the issue. Generation Y is least likely to be worried, and most likely to overestimate.

MYTH: THE ISSUE OF IMMIGRATION IS FUSED WITH CONCERNS ABOUT EUROPE

While immigration is a key factor for those wanting to leave the EU, research shows that it is far from the only driver.

MYTH: WE WEREN'T TALKING ENOUGH ABOUT IMMIGRATION BEFORE, AND PEOPLE ARE HAPPIER NOW WE ARE

Comparing attitudinal data in 2011 and 2015, the biggest shift is in the growth in people thinking it was being talked about too much. But a large contingent of people believe it's not being talked about enough (many of these are UKIP voters).

IMPACT 21

How stories work

"The story is fundamentally a quest to solve a problem," said scriptwriter, author and producer John Yorke. "In simple terms, a story allows us to understand what it is to be someone else."

Yorke, whose latest book *Into The Woods: How Stories Work and Why We Tell Them*, deconstructed the mechanics of storytelling, and suggested that business presentations might be improved by learning from narrative tropes.

"By presenting with PowerPoint, and using facts and numbers, you don't get an emotional response," he said. Stories establish an emotional connection. "On the way there's always a crisis – the worst point, where you think all is lost – and then the climax, where the protagonist and antagonist face each other." More broadly, on a global, macro level, the function of story is to reduce chaos to order, Yorke explained. "As human beings, we can't cope with chaos. The end of a narrative gives the reader the sense that everything is OK."

Yorke has been a script editor for *EastEnders* and managing director of Company Pictures, the UK drama independent responsible for *Skins*, *Shameless* and *Wolf Hall*. He once spent every weekend for three years going to the cinema with a stopwatch and notepad. It was there he deconstructed the art of storytelling. "Stories are the shape they are because it's a dramatisation of the processes by which we learn," he said.

Let's talk about sex…

David Spiegelhalter, professor of risk at the University of Cambridge, gave an insightful and humorous presentation that examined sex and statistics.

The first challenge of studying people's sexual behaviour is defining sex itself, he told delegates. "How can we ask questions of peoples' behaviour that they might be embarrassed about telling us? One of the problems with sex surveys is that people understand different things by sex."

The issue of defining what sex is came to prominence in the late 1990s, when US President Bill Clinton and White House aide Monica Lewinsky were embroiled in a scandal over her performing oral sex on him. "What was interesting was his definition of sex," Spiegelhalter said. "He claims he didn't have sexual relations with her, while she claims she did have sexual relations with him." There was a vote in the Senate and it found in his favour. Oral sex was not sex.

Professor Spiegelhalter explained how he has devised a star-rating system, which he expounds on in his recently published book, *Sex By Numbers*.

"One of things that I do in the book is crudely to give star ratings to data," he said. "If you Google 'sex stats', most of what comes up is nonsensical."

Spiegelhalter awards four stars to surveys "where you can believe the numbers and don't put margins of error on them".

Three-star stats are for what Spiegelhalter considers "reasonably accurate numbers, say up to around 20%, up or down".

Internet panels fall into the two-star category for Spiegelhalter, a rating for data that "can be used as a very rough ball-park figure, but with details that are unreliable".

The most derisory rating applies to the specious findings unearthed in magazine surveys and their ilk, which come bottom of Spiegelhalter's system, scoring just one star.
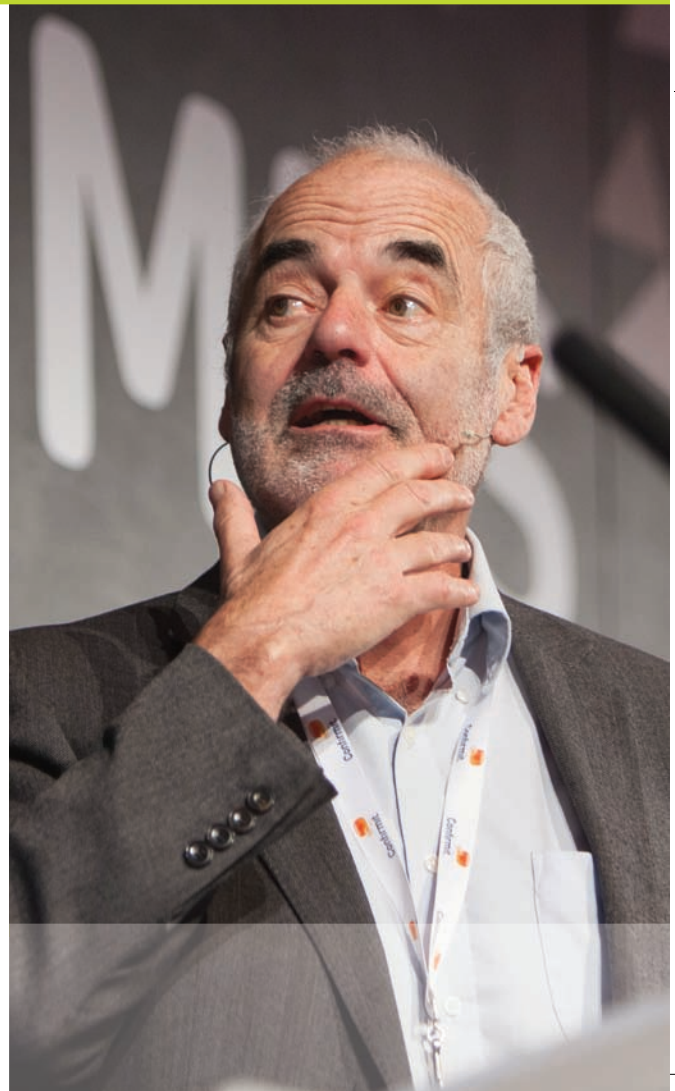
Beyond the poll

Tom Mludzinski, director of political polling, ComRes, said the days immediately after the General Election had been "undeniably difficult", but it was now about what could be changed, moving forward.

He highlighted the differences between online and telephone polls, and that the solutions for fixing them might be different depending on the medium. ComRes has been testing different methods using regression analysis to try to overcome some of the representation issues, such as turnout.

Cordelia Hay, associate director at BritainThinks, shared some of the findings from its qualitative approach to understanding voters. "When most of the industry is talking about big data, we're talking about small data. It shows you how people are experiencing elections." she said.

Personality was a big theme in BrainJuicer's presentation, using System 1 thinking on polling. Orlando Wood, managing director, applied its measures of fame, feeling and fluency to politicians. Fame – if a politician comes readily to mind; feeling – if you feel good about that politician; and fluency – if you recognise the politician quickly, they must be a good choice.

'Make sure you look at all the data – you may change your argument'

Rabbi Julia Neuberger, who has been senior rabbi at West London Synagogue since 2011, and whose mother fled Nazi Germany, began by agreeing that there was a "compassion deficit" in relation to the European migration crisis.

Commenting on the idea that the media was inflaming public opinion on the issue, she said "a politician's job is not just to listen, but to lead, and to change opinion through proper leadership".

"People have an unpleasant reaction to the idea that government can tell us what to do," Neuberger went on. "But we elected them to lead us, and democracy can't work without that."

However, she added that – just as businesses do – politicians have a tendency to use data selectively to prove the point they want to make. "You may change your argument if you look at all the data," she said. "Look at it all and be a bit more honest with yourself."

To illustrate this point, Neuberger gave the powerful example of a review of the Liverpool Care Pathway, which she chaired three years ago.

The review was prompted by negative media coverage of inappropriate compliance with the end-of-life care process that the pathway advocated, and she anticipated that the review would recommend improving communication of its correct use.

What actually happened, Neuberger said, was that the review recommended scrapping it altogether. "The way the guidance had been used became corrupted, and the brand was toxic."

Neuberger claimed that part of the reason for its failure was that it hadn't been properly evaluated. "I am a passionate believer in evaluation," she said.

She also blasted a lack of research into end-of-life care, branding it "not a fashionable area". The hospice-style palliative care system is very cancer-based, she said, when, in modern times, only a quarter of people die from cancer.

"The way we die, and the period over which we die, is changing," she said. "This hasn't been picked up – there's a big gap in the research."

Sponsor

THE BIG 10

Unilever's Stan Sthanunathan's presentation examined the seismic changes taking place in the world of technology and digital.

He suggested '10 Commandments' that agencies and clients should pay heed to, to keep up with the pace of change. "Business as usual is not really not an option," he said. "It really needs to be business as unusual."

1 **Get social or get ready to be branded anti-social. Mine the information gleaned from social media.**

2 **Data is commoditised, but insights are getting democratised – a Google consumer survey costs as little as £500.**

3 **Get visual or get impaired. Think how to bring insights to life using a fact-based, rather than fact-filled, presentation.**

4 **Innovate, don't renovate. Renovating comes naturally because it's easy. "But renovation, in my way of thinking, is more like polishing a turd," Sthanunathan said.**

5 **Become the master of metamorphosis – change on an ongoing basis, change every day.**

6 **Digitise and humanise. Tame data.**

7 **Think bi-polar – world is more polarised by age, income, religion which affects how we get insights from different groups.**

8 **It's too risky not to take risks. Be bolder than you have been traditionally.**

9 **Never underestimate the power of N=1 – brands are increasingly being influenced by people.**

10 **Real-time is the new currency, cutting the time lapse between asking the question and getting the answer.**

Will technology make us all redundant?

Entitled 'Will curious computers replace curious minds?', the panel debate started with that emotive question – whose job is most at risk?

In a quick poll of 50 senior executives in the room, half didn't believe their job would be taken by a computer, 33% were unsure, and 18% of respondents within this elite group agreed that they would become professionally obsolete.

Colin Strong, managing director of Verve Ventures, started with the warning that, while every profession thinks technology will disrupt jobs, no-one thinks it'll be their own.

"Market research is high-cost and, therefore, low-accessibility – not every organisation can afford it. We are reactive, and it takes time to execute research. These are all classic symptoms of a profession in danger of being disrupted."

The rise of cognitive and anticipatory computing eliminates the need for humans to ask questions. Computers can predict our behaviour in real time based on our personal data. In a climate where clients expect faster and cheaper solutions, what seems inevitable is the impact on jobs.

BeyondCore was one solution referenced in the session and widely described as 'quite scary' in terms of its potential to integrate and interrogate multiple data sources and deliver actionable insight. But, said Nick Baker, group CEO, Quadrangle, "we are going to need to engage with the data scientists and analysts and combine with our ability to ask the right questions."

Social data – growing up, going mainstream

The number of people using social media – 67% of the UK population is on Facebook alone – means it is no longer the realm of the early adopter, and the data it generates should no longer be regarded with scepticism.

Jake Steadman, research director, international, Twitter, said researchers should see that social data gives them an opportunity to become storytellers and leaders, with the agility to make same-day decisions. "We need to get over our obsession with precision," he said. "What we all want to do is help businesses make the right decisions, and directional insights can do that."

Jess Owens, associate research director at Face, said the fact that social was still given "early adopter status" by many researchers said more about the researchers than social platforms. "They're part of the infrastructure of communication, entertainment and news," she said, and if research teams failed to embrace social data, marketing functions would quickly snap it up.

The democratisation of access to consumer data across an organisation is leading to conflict over ownership, the session heard, with PR wanting control over Facebook and HR over LinkedIn. BT's head of digital integration, Christopher Wellbelove, said too few organisations had senior leaders thinking socially. "We have people making decisions on social media who aren't even on social media." ∎
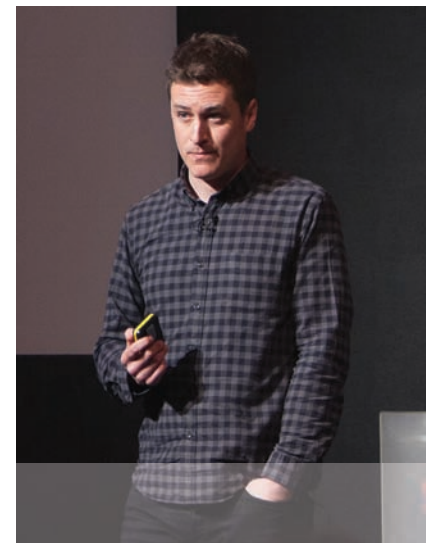
TECHNOANALYSIS UNCOVERS REAL CONSUMER BEHAVIOUR.

There's a significant difference between what people say they do and what they actually do. And this is where traditional research fails today: it relies on memory, which leads to large error gaps, especially in the consumer packaged goods category. According to Unilever's market research team, 50% of study participants incorrectly recall what they do.

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Works of fact and fiction

Waterstones' **James Daunt** has started to turn around the fortunes of the book retailer. But while he puts internal data to good use, he has yet to be won over by the business case for market research. By *Jane Simms*

I was really looking forward to meeting James Daunt. I love books, and had lots of questions for the man who has, by all accounts, not only reversed the decline of Waterstones by fighting off competition from Amazon and e-readers, but also got people reading again. "We don't sell books, we sell reading," he said recently – a subtle but important distinction.

So I wanted to talk about that – how he's done it, who buys most books, what sorts of books generate the highest sales, and how important covers are in prompting purchase. I also wanted to know how he knew the answers – what research and insight informed his understanding of people's book-buying and reading habits.

But it quickly became clear that Daunt has little time for market research or the companies doing it ("in the book industry, the statistics are imperfect, to say the least"). Rather, he is concerned with communicating one key message – that he has revived Waterstones' fortunes by creating more distinctive and interesting bookshops, which makes the bookseller's job more enjoyable, so they sell more books.

Daunt was hired to rescue Waterstones in 2011, by Alexander Mamut, a Russian billionaire who had bought it from the struggling HMV group. Mismanagement by former owners, competition from Amazon and declining physical book sales had brought Waterstones to the brink of collapse. The chain, founded by Tim Waterstone in 1982, had enjoyed a period of strong growth and success before suffering at the hands of a succession of owners. When Mamut took over, it was losing around £34m on sales of £400m.

> **Some independent bookshops have never seen any sales falls, and their customers remain loyal to them because they are run by very good and committed people**

What had gone wrong?

"Waterstones had retreated from a tight focus on old-fashioned bookselling skills to something much more akin to the standardised retail chain model," says Daunt. "It became obsessed with 'value' – having a restricted range and 'piling it high and selling it cheap'. That resulted in an identikit offering throughout the estate. That works with something like Caffè Nero, but it doesn't work when you apply it to bookshops – or not the kind of bookshop we are, or aspire to be."

Daunt knows what he is talking about. A Cambridge graduate and former investment banker, he set up his own chain of independent bookshops, Daunt Books, in 1990, at the age of 26. The first shop was in Marylebone High Street, London, and there are now five more in the capital. The chain, which he still owns, is very successful. He says: "Some independent bookshops have never seen any sales falls, and their customers remain loyal to them because they are run by very good and committed people. They are almost incredulous at the 30% drop in sales experienced elsewhere."

One of the first things Daunt did when he came to Waterstones was cut costs – including shedding thousands of jobs. Half the managers and one-third of the shop-floor staff went. "From the start, I have made no bones about saying we are not good enough," he says. "Only when we have bright, intelligent, motivated people, who know what they are doing – and are willing to do it with that
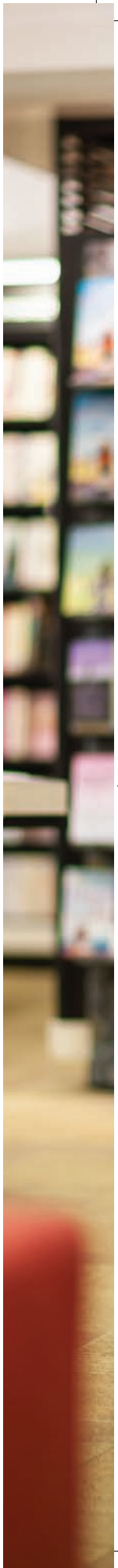
overused word 'passion' – will we get somewhere. But that requires a significant cultural shift."

There was a chronic lack of discipline, he says, and he introduced systems to manage stock more efficiently. "We have much better availability, we have many more titles and a much bigger range, but we carry much less stock and have fewer returns. Returns had accounted for 20% or above of what we ordered – we are now down to about 4%."

This new efficiency has been helped by giving booksellers much greater authority over what they sell and how they sell it. Daunt is, he says, "unambiguously against homogeneity" and he is using Waterstones' data to help inform this process. "I'm a firm believer in data and, in fact, everything we are doing is about ▸

DAUNT ON MARKET RESEARCH

"My predecessors spent their time genuflecting at the altar of Nielsen – but now we rely on the information we generate from internal data. It's of no comfort to me at all if my sales are going down slower than the next guy's – I want to grow sales and I want to do as well as I possibly can for my customers. I think big bureaucracies like to choose the data that provides them with the answers or excuses they want."

NEILL DENNY, JOINT EDITOR OF BOOKBRUNCH – A DAILY NEWS WEBSITE FOR THE BOOK TRADE – ON DAUNT

"He's done a very good job at stopping the rot against a vicious backdrop, and only had to close a handful of stores, which was impressive – particularly as Waterstones is now opening new ones. He seems to have made the transition from the small, specialist, high-end, full-price bookselling that he was used to, to a big fiction-driven chain, successfully. The strategy of having fewer, better, more expensive books is sound, but he may be focusing too closely on Waterstones' existing customer base. He needs to bring in new customers – and he's not an instinctive populist. What's more, the jury is out as to whether the concept of having booksellers as 'gurus' is scalable."

trying to understand better what's going on in each local catchment area.

"I really need to understand what's going on in Middlesbrough because it's probably going to be rather different from what's going on in Harrogate. That informs the books stocked, how they present themselves, how they allocate space, the environment, how they do the café, and so on."

While book sales vary by shop, Waterstones sells to "an extraordinarily wide demographic and across the entire age spectrum", says Daunt. "Books start to be bought for you when you are in a buggy and carries on throughout your life."

But it doesn't always, does it, I say, citing my 16-year-old son, who has been surrounded by books since he was born, but would now rather walk on hot coals than pick one up and read it. Daunt's response seems to reflect his own experience, rather than being informed by a broader sample.

"If you run a very good bookshop, where people have been extremely loyal for a large number of years, those kids who first came in hanging onto their mothers' skirts turn into the adolescents you give a refuge to in the shop, though they might not buy anything; and they turn into adults who do buy from you, because you have made going into bookshops a habit for them."

Warming to his theme, he talks about how he is encouraging his booksellers to turn their shops into 'social spaces' appropriate to the needs of their catchment area.

"We have put a bar in one of our London shops and it has become a fantastic meeting place – and, in effect, a Friday night pick-up joint. Bookshops should be social spaces, and I absolutely promise you that if you manage to pull in a whole load of young women, you're going to have a few young men turn up as well."

I'm not convinced – nor am I convinced that the reason men don't read as much, or buy as many books as women, is because they are "too busy with their careers and family", as Daunt suggests.

"Men are not lost to us completely, but they are certainly considerably reduced, particularly during certain phases of their life," he says, adding that one way of reaching them is to appeal to their ego. "Depending on the demographic, that might be something like persuading them it's necessary

" We have put a bar in one of our London shops and it has become a fantastic meeting place – a Friday night pick-up joint. Bookshops should be social spaces "

to have a certain new book sitting on their bookshelf to show other people that they might read – even if they don't actually read."

Again, his observations seem to reflect a very Daunt-centric view of the world; it may be true in the parts of London where there are branches of Daunt Books, but I suspect it's very different not just in his token northern town of Middlesbrough, but throughout the country. I don't know why men read less than women – or if that's even the case – but I do know that, for my son's generation at least, books fall victim to a number of competing claims on their time and attention, most of them technology-related.

So the marked shift away from technology in the form of e-readers is interesting. Daunt says that the reaction against Kindles has taken the form of a sort of 'flight to quality' – people haven't just reverted to books, they've reverted to hardback books. Why so?

"When you get a new gismo, particularly one that's quite useful, everyone buys one," he says. "The Kindle seems superficially attractive – it saves you lugging a tonne of books on holiday, for example. Then, suddenly, you look at it and realise you have 20 or 30 books in there, and what's happened to the bookshelf? There's nothing on it. And you can't lend the books on your Kindle, or browse them, and people can't ▶

▸walk in and look at that nice shelf of books. Books are a lovely physical thing, a tangible expression of what you've read."

Which brings us to Daunt's nemesis, Amazon – "a ruthless, money-making devil". High-street bookshops' market share has declined "in pretty much a straight line" from around 85% in 2000 to about 50% today because of the influence of Amazon and the Kindle, he says. UK bricks-and-mortar book sales peaked at around £1.4bn and are now closer to £800m. "So there was a huge collapse, and Dillons and Borders both went bust."

The high-street share is beginning to grow again, and Waterstones' sales – which have been in 'modest' growth for 18 months – are slightly ahead of the rest. What's more, after a very good Christmas the business is, says Daunt, "back in the black". He is, however, impatient with those who focus on market share as the measure of success.

"People here used to spend an immense amount of time worrying about market share. I said this is utterly irrelevant to us; what we need to do is grow our sales and win back our customers, and we're not going to do that by taking sales and customers from WH Smith, because we appeal to different demographics. This is not a zero-sum game. The only competitor I would love to see us take back market share from is Amazon."

And the way to do that is to engage with customers more effectively. "We have to get better at attracting people into the shops and persuading them that it is better to leave with a bag of books than it is to wait for them to come through their letterbox."

He has not done any research on the factors that motivate people to buy from Waterstones
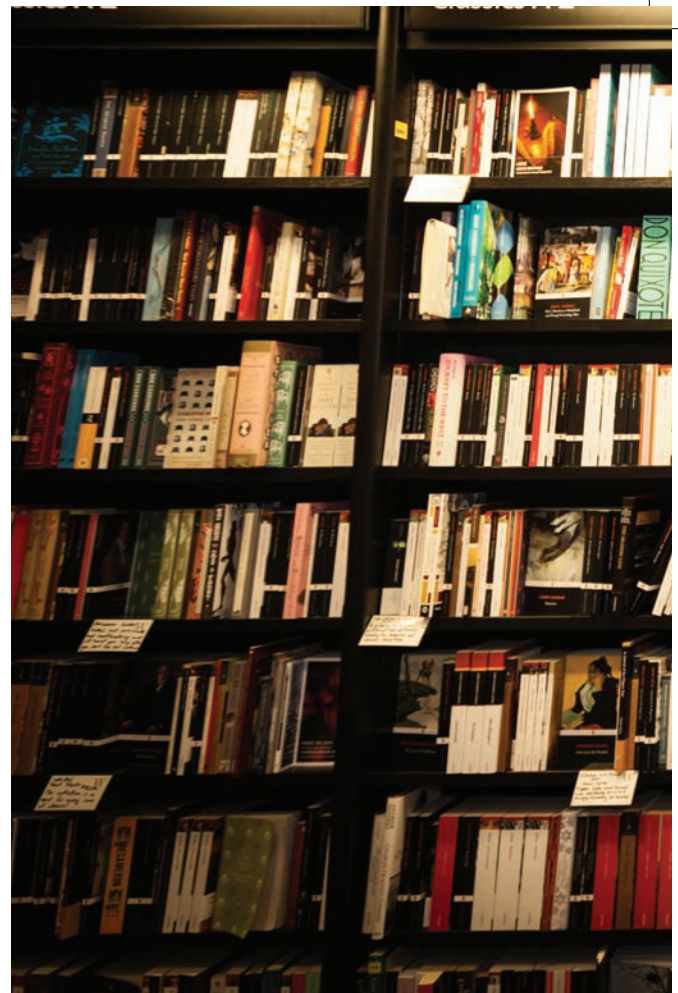
or Amazon. "We don't need to know that, not at this stage," he says, arguing that his instinctive sense of what sells books – "I have been doing this for about 100 years, this is my world" – is more valuable than looking at "endless spreadsheets".

But the challenge is getting the right people. "We depend on our booksellers. Whatever we do centrally – however attractive the bookshop and however beautiful the books – none of it matters if we don't have the right people selling the books. So we have to make the career of a

FACTS AND FIGURES

The total UK book market is worth about £2bn, and e-books account for 25% (and falling).

Daunt estimates that Amazon has 30%, WH Smith has 22% to 25%, and the independents and supermarkets about 10% each.

According to Tom Tivnan, features

and insight editor at *The Bookseller*, Waterstones' share of the UK books market has risen from around 20% to between 25% and 28% since Daunt took over. Before the rise of Amazon, its share was between 30% and 33%.

At the end of 2015, print book sales (by value) were up 6.6% on the

previous year and, in the first two months of 2016, were up by 10% on the same period last year. This comes after seven years of falling sales.

Based on Nielsen BookScan data, he estimates that fiction accounts for 20% of physical book sales, children's books account for 25% and adult non-fiction accounts for 55%.

bookseller sufficiently rewarding that very good people want to do it."

One of the ways of making people's jobs more interesting is by getting them to spot potential 'bestsellers' – and Daunt's approach to the books that Waterstones promotes has transformed its relationships with publishers.

"We inherited a very strange, very adversarial relationship with publishers, because most books had money attached to them – Waterstones would say 'we will only take a certain book if you pay us'. That was worth £27m to Waterstones when I joined, and I stopped it. It becomes utterly toxic if those sorts of payments dictate what you sell."

Conversations with publishers are now completely different, he says. "Clearly, we both want to sell as many books as we possibly can – and, clearly, our views will differ sometimes – but that's fine providing the conversation is based on the merits of the book."

Some books are guaranteed to do well. When I met Daunt, Julian Barnes' new novel, *The Noise of Time*, had just been published and, he says: "He writes good books, we will sell lots of them; it is an important literary event and we will promote it very professionally". But these sorts of things are "not as exciting as spotting hidden

stars – and first novelists are inherently more exciting". January's book of the month, *A Whole Life*, by Robert Seethaler, is one example.

"It's a sweet little book – short, powerful – and it started to be sold in a couple of shops, and our data showed that people liked it," says Daunt.

"So you have a read and, quite quickly, it's book of the month and you sell a massive quantity, because it is a good book."

That, he says, is good retailing: "It's very reactive; the impetus comes from customers and booksellers rather than being dictated by the centre."

The principles that underpin how Daunt Books runs are very much a model for how he wants Waterstones to operate. "The fact that any of our shops sits within a chain should become irrelevant; the chain is there to support it, not dictate to it."

You wish him well, but it's hard to escape the conclusion that investing in some properly focused research to test and refine some of his assumptions could provide a useful tailwind. ∎

> **We have to get better at attracting people into the shops and persuading them that it is better to leave with a bag of books than wait for them to come through their letterbox**

The challenge of relevance

There has never been a greater need for market research to reassert its relevance – whether that's to help clients make confident decisions, ensure the public's perception of the industry is accurate, maintain panellists' interest, or to appeal to the best talent, as **Tim Phillips** reports

"The people who drive our cars have dogs, they have kids and they have gloveboxes full of tissues, wet wipes and cables," says Steve Hill, consumer insight manager at Jaguar Land Rover (JLR). "The more data you get into the business, the harder it gets for people to see customers for the humans that they are. You see people as being numbers on a spreadsheet, or points on a data chart."

The fear that insight could become an impersonal, data-driven function was the inspiration behind a project for which JLR and its agency, C Space, recruited a panel of 100 drivers. These motorists were asked to interact, give feedback, join video calls, and even go for a pie and a pint – but, significantly, not with the insight team. JLR's panel communicates directly with the designers and engineers, sharing their happiness, frustration and any other emotion, often without mediation through research professionals.

"If we can use market research to start giving people a bit more of a visceral understanding of how our customers think, and how a relevant person thinks, then it's a win," Hill says. "Even when they're telling you the bad stuff, they're doing that because they want you to improve."

Creating small-scale intimacy is one solution, but this does not meet the challenge of recruiting and incentivising larger panels. At the other end of the scale, Research Now (RN) is meeting the challenge of relevance by recruiting panels differently. To join RN's panel, you have to be invited by a brand partner; in the UK, for example, that means Nectar. "One of the primary aspects of driving quality is our recruitment model," says Ryan Jantz, senior vice-president, panels and partnerships, at RN.

Personal, iterative, focusing on bitesize insights delivered, via technology, direct to the people who use them, the work of Hill and C Space is just one example of how the

> ❝ If we can use market research to start giving people a bit more of a visceral understanding of how a relevant person thinks, then it's a win ❞

best insight teams are stepping up to the challenge of keeping their work relevant to both the client and the customer. On the client side, research conducted by Professor Niels Schillewaert and his colleagues at the Vlerick Business School suggests that only half of research projects lead to change, and that roughly the same proportion of researchers think that their work affects decisions. On the customer side, the more we know about how decisions are made – and how opinions are reported – the more some methods of collecting data seem like a battle against the habits and instincts of ordinary people, rather than a reflection of them.

As long as new methods of gaining and using insight have been available, this has been a challenge that the industry has met. But as the datafication of customer relationships has unleashed new sources of insight, often generated direct from the clients' internal systems in near real time, the role of externally generated insight needs to keep up.

Adjacent insight providers – notably those selling big data as a solution to how to make faster, better decisions – point out that traditional research doesn't match well with how companies prefer to act, and sometimes isn't finding out the most useful information. For example, in its report *Big data: The next frontier for innovation, competition and productivity*, McKinsey contrasts the broad segmentation of market research with the immediate, actionable data that clients such as department store Neiman Marcus are using to reach customers. "Retailers can now track and leverage data on the behaviour of individual customers – including clickstream data from the web. Retailers can update this increasingly granular data in near

WHAT CAN OTHER INDUSTRIES TEACH US ABOUT RELEVANCE?

Kathryn Korostoff founded and runs Research Rockstar, which gives training for researchers and staffing for insight departments. In what she calls the "adjacent" professions – data science, big data, data analytics – she believes there is a much stronger link made between the insight and return on investment (ROI) benefit, and that researchers can learn from these professions about how to present their expertise as business-relevant. Korostoff's advice is:

■ Emphasise the difference between the short run and the long run: "Companies often think in terms of a three- to five-year roadmap. A lot of the big data analysis I see is not necessarily going to inform that kind of strategic thinking."

■ Measure the return (sometimes): "ROI methods would vary a lot by the specific project. For a segmentation study, I might determine that three particular segments are attractive to our company and that we can focus our marketing dollars, our sales dollars, and our lead-nurturing dollars on only the most attractive segments. Somebody should be able to do a 'before and after' for that; those things can be measured. But we don't know how or if people are applying the research results to product development. We don't want to be tied to say, sales for that new product."

■ Don't get hung up on 'what' – it's 'why' that counts: "Researchers emphasise their methodology too much. That's the wrong emphasis when we're dealing with business people. We should be talking about what we're doing for the business, not how we do it."

■ Use skills from the adjacent professions in your projects: "One of the things that appeals to business executives about some of the adjacent professions, is that they're using conventional research methods, but they're also using new things. Adjacent things that I'm really interested in these days are behavioural science, the whole consumer experience, user experience area, and web analytics."

■ It's the business problem you solve, not how you do it: "Can you demonstrate expertise in predicting consumer behaviour? Do you have a track record in identifying how to define customer groups? Are you somebody with expertise in understanding consumer emotions? I don't want our profession to be defined by focus groups and surveys. That hurts market research – the idea we're mechanics."

■ Make market research into a daily input: "I'm a huge fan of voting platforms; they can be a really great research method – very interactive. Business decision-makers can pop in and out of the idea-voting platform and see for themselves what kind of comments and votes they're getting. It feels more authentic than a pile of charts and graphs. There is almost a sense of urgency about it, because it's happening in real time."

■ Embrace experiments, as data analytics has done: "Web analytics are really able to capture actual behaviour and not rely so much on what people say they're going to do, or self-reporting what they have done. We should be doing a lot more experiments in market research. They have raised our awareness of how many topics people can't reliably be expected to self-report on. It's a big issue. I hope more researchers start to adopt that sort of experimental thinking."

> " Clients see that the old ways aren't working any more. They are in a situation where the external world is more complex and faster-moving, but their internal world is still moving slowly "

▸ real time to adjust to customer changes," it says.

If the insight function has to give a seat at the table to data scientists, arguably, this is a good thing; if all data is seen as relevant to decision-making, then research and big data have a common fight against management gut feel. But research agencies are also in a struggle for scarce talent against technology companies that suddenly seem very relevant as a source of methods to make better decisions. If they cannot demonstrate they are operationally and strategically important, they are at a recruitment disadvantage too (see box, page 39).

Perhaps the next evolution of the insight business isn't so much about finding new techniques, but embedding existing methodology more relevantly in the experience of those who give information, and those who could benefit from using it.

Who makes decisions?

In 2010, Bain & Company surveyed 760 companies, most with revenues greater than $1bn. It was surprised to find that most company reorganisations had no benefit, and most destroyed value. Its survey showed that the ones that prioritised the view of the firm as a decision-making organisation had far better outcomes. So Bain & Company began to recommend to its clients that, if they were planning to restructure, they organise around decisions, rather than hierarchies or functions.

Not every company follows this advice, but some are taking it seriously. For those that do, plugging insight into the decision-making process will be essential.

"On an annual basis globally, our industry invests $43bn on generating insights, but only a very small piece of that money is invested in activating those insights," says Tom De Ruyck, managing partner at InSites Consulting. "And it's a bit like in advertising; we know that half of the money we are spending will not lead to action, we just don't know, at the beginning, which half that will be.

"More clients feel the need to change the way they do things because they see that the old ways aren't working any more, or aren't as effective as they used to be. They are in the situation where the external world is more complex and faster-moving than ever before, but their internal world is still moving slowly."

De Ruyck has put this into practice through his relationship with Ikea, which now spans five years. Ikea had this feeling, he says, and, as a result, decided to reorganise the way it handled insight, to bring it closer to decision-makers without the internal insight department acting as a gatekeeper. "Then you need to do two things. You need to look at how you generate insights – what tools we have, what research programmes are in place, and how we need to change these to be more open and agile in how we catch consumer insights. Then you need to look at how to activate insights in the business. How can you involve more people and have more impact on the business?"

Part one meant streamlining the numbers that Ikea tracked to three measures of business performance. The performance in those numbers could inspire further investigation, but emphasising co-creation rather than directed surveys. "It's also about allowing consumers to bring topics to the table themselves," De Ruyck says. "It's about what you want to discuss, as an organisation, but also about what the consumer wants to discuss."

This process is only one aspect of how insight became more relevant at Ikea. Alongside this reorganisation, the company decided to share its insights more directly with more people. It reasoned that, in a retailer, far more people are making decisions every day – for example, how to speak to customers – so they could benefit from knowing what customers need.

"We are democratising the use of insights, because we are making it easier for people to find them, to understand them, and to absorb them on the one hand, but we are giving access to more people – or giving people more access to those insights as well, which I think is needed," De Ruyck says.

"If you want an organisation to move faster, and to make better decisions faster, you need to give more autonomy and empowerment to employees, but you also need to give them the necessary inspiration and insights."

Few employees want to read charts and reports, however. So Ikea and InSites Consulting concentrated on creating 'memes'. These are simple insights based on the data that would be meaningful at every level of the organisation, and which attract comment from a wider group of ▸

▸ employees, who contribute ideas on how to improve based on the memes.

InSites has measured the uptake of its research findings, using these methods internally. The result of spending more time on how to communicate its results – and who to communicate them to – is that 85% of its findings are acted on. The key, InSites argues, is to look beyond the usual community of people who use research and find out which other decision-makers would benefit from knowing about it, and how they use information in their jobs.

Rather like the successful decision-makers in Bain's sample, this partly depends on the client being able to structure its business around decision-taking, and let insight flow to where it is needed. "If they want to move faster – which they have to, because the external world is moving faster – they need to have less hierarchy. They have to give people more autonomy, more empowerment," De Ruyck says.

Delivering the message

"Many market research companies have manoeuvred themselves into an almost impossible position by not changing. They have a lot of pressure on their work process," says Jeroen Rietberg, co-founder of Intellex Dynamic Reporting and CFM International, which supplies software to the market research industry and end clients to automate reporting, create dashboards and combine research sources or voice-of-the-customer tracking.

Rietberg identifies three dimensions of research that are important to the client: quality, efficiency and effectiveness. The first can be narrowly defined as the methodology used, and representativeness of the analysis. The second, responding to market trends, as being able to get results quickly and at lower cost. But the third – effectiveness – has not been given the attention it deserves, Rietberg argues.

"Effectiveness means what is actually done with what you deliver. How much impact do you have, and how do you know? Do you ask your clients what they do with your data, and how much effort they put into translating what you give them into something usable and actionable? That is a big problem," says Rietberg.

One of the most important measures of the effectiveness of market research is its constant presence when decisions are being considered. Hill, at JLR, jokes that, after receiving a brief from an area of the business, a typical insight department "spends three months living and breathing the research, but as far as your internal clients know, you've gone quiet and just buggered off".

Rietberg argues that too little focus on how those internal clients want information has resulted in technology companies moving into the market. "The types of companies who are now delivering the voice of customer are often technology-based companies, who might have been supplying technology to market research, but who were definitely not market researchers themselves. They have just taken over that whole area of customer satisfaction.

"The reason they could do that was because they thought about the way in which information has to be presented to the client, to make it usable for them, workable, and immediately applicable to the organisation. That's as simple as it is. If you want to make an impact with anything that you do, it has to be used. If it's not used, it can never have an impact." ▸

YOUGOV PROFILES: ENGAGING THE PANEL

On Monday 10 August 2015 YouGov's German head of research found himself on the morning chatshows, and quoted in Germany's national newspapers. YouGov was also at the top of the non-fiction book charts in Germany. The cause of all this excitement? A book called *What makes us Germans tick?*, which collected 550 insights into how Germans think and behave from YouGov's 50,000 online German panellists.

How do we incentivise panellists so they are active and engaged? In YouGov's world, the reward is something the panellists value highly: information about themselves.

This wasn't the first time people's obsession with themselves had put YouGov on the news. At the end of 2014, it launched its Profiles app in the UK, and received a million searches in the first week. *The Times* ran the headline: 'If you aren't addicted to YouGov Profiles yet, you soon will be.'

YouGov's online database holds information on more than 100,000 variables for 250,000 UK panellists, 150,000 US ones and the 50,000 ticking Germans. The panellists, who can select anything they think is relevant to their interests and provide information on it via Profiles, have generated about one-third of that database voluntarily. YouGov's analytics pick out the correlations that are disproportionately true for one category. The result is an increasingly sophisticated, crowdsourced profile of its panel members.

Freddie Sayers, chief digital officer at YouGov, says Profiles are a strategic change in the way it does business: "YouGov was a survey company and now it is a data company. We're not just writing surveys and running them, which is what we did 10 years ago. Increasingly, we collect data for ourselves. When a client wants to know something, we find that querying the data we already have is a quicker way to get the answer." So instead of finding a representative sample from among its panel and asking questions, it finds what people matching the profile it seeks have already provided.

Through YouGov's data science department – another recent innovation – this regularly turns up interesting relationships in the data. Peroni is the lager most liked by the upper and middle classes. Netflix customers prefer rising stars, while Amazon Video viewers prefer classics. Jeremy Corbyn supporters were much more likely than supporters of other leadership candidates to believe a secretive elite controls the world.

These are all results that surveys could achieve, but YouGov holds the information today, provided voluntarily by participants, whose incentive is that they are engaged – whether this is through a feeling of being heard, or finding out what other similar people think about the things that interest them.

Tests on the data show that the type of panellists who take part in Profiles is roughly the same as the ones on the existing YouGov panel, though lighter on the very young and very old.

Perhaps this demonstrates that the appeal of taking part in surveys is universal – as long as you feel part of the process.

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▶ BrainJuicer has never been an average agency, but it has always marketed its propositions on the basis that – if you want to find out what people are really going to do in the future – asking them is often not a good idea. Instead, data science discovers in greater detail what they are doing.

Questioning the methodology

As a contrarian, BrainJuicer liked to quote Daniel Kahneman before it was cool to do so. It's still a tough sell – building a business by telling clients they are measuring the wrong things – but, says chief operating officer, Alex Batchelor, it's the responsibility of an agency to challenge the beliefs of the client if research is to remain relevant.

He quotes Kahneman: "Our comforting conviction that the world makes sense rests on a secure foundation: our almost unlimited ability to ignore our own ignorance." Or, in Batchelor's words: "It's like when mums can't believe their children are murderers."

When research makes the news, it's usually about polling, so the news hasn't been good in the past nine months. We can argue that polling is a small part – underfunded and unrepresentative – of the business, but Batchelor points out that there's something in the criticism. The industry is still asking people what they intend to do, relying on a rational, considered response at the point the research is done, while, all the time, we discover more about the limitations of this technique (see box, page 34).

This is a fundamental challenge to the relevance of research, Batchelor argues. "Purchase intention is kind of a dirty secret: we all ask it, even though we know it doesn't correlate strongly with anything. We should all be looking at something that is more predictive. We believe the tide is turning in our direction. Many agencies know that emotion matters; they accept it, but stick questions about it down at number 51 or 52. If

you're taking the survey, by the time you have got there, you've lost the power of feeling."

How to sell it

Go to ZappiStore's website and the first thing you see is: 'Traditional market research takes too long and is too expensive.' Who says? "Everyone I talk to," says Christophe Ovaere, the chief marketing officer at ZappiStore, "They say, we can't justify that kind of spend and that lead time any more."

ZappiStore is an automated platform on which agencies can offer tools to deliver bitesize pieces of research quickly – on demand – to clients. It's neutral about which methods or providers host their tools. At the moment, Millward Brown, Pointlogic and MMR are there. Ovaere talks about how some very small agencies are developing specialist, niche tools to sit alongside them.

But it is not simply an aggregator; ZappiStore was created in response to demands from clients – which include Coca-Cola, LG and Ford – to work differently with their research providers. "We will deliver shorter, snappier and faster work," Ovaere says. "Clients can use it cyclically and iteratively, which means they are agile."

He tells the story of how a client wanted ad testing on a Friday night. "She said she had four ads, and ordered the tests as she was leaving the office. By the time she reached the bar, the reports were ready. She could discuss the results on Monday, change the ads, and test again: it makes test and learn possible."

Ovaere disagrees that this makes research more disposable. It merely fits with the way the clients treat the flow of information, he says. "Agencies innovate a lot, but they innovate around methodology. What are you going to change that is so groundbreaking that the client falls off their chair? Not much. But there has never been innovation around process, cost and time. We are one of the last industries that hasn't

> " Many agencies know emotion matters, they accept it, but stick questions about it down at number 51 or 52. If you're taking the survey, by the time you have got there you've lost the power of feeling "

optimised the delivery process. In some respects, we're still running a manual sweatshop."

Another client has just set up a 'data war room'. "The market research agencies should be running that room, but how many are in it?" Ovaere asks. "None."

BrainJuicer has located one of the tools that ZappiStore is marketing. Batchelor likes the idea of providing behavioural insight rapidly, at low cost. "Let's see if we can sell it to people we couldn't afford to sell it to otherwise," he says.

"When we started, we dealt with clients who didn't want desktop self-service; they wanted to phone people and ask them to find out things. But SurveyMonkey has ▶

HOW RELEVANT IS RESEARCH AS A CAREER?

Paul Baines, professor of political marketing at Cranfield University, runs a careers session in market research every year, in conjunction with Esomar. In 2016, 70 students from across the marketing disciplines attended, but knowledge of – and interest in – market research as a potential career was initially low, he reports.

Q. Do your students feel market research is relevant to their ambitions?
Research has always had competition from other sectors for applicants, and our marketing students don't see it as an obvious place to start, while our Master of Business Administration (MBA) students see themselves in management consultancy. Market research is not necessarily in their consideration set.

Q. Why not?
It doesn't have the same visibility. Maybe that's an image from the past, but it's also that they don't see the insight turning into action. Big data, for example, is all about turning knowledge of customers into actionable strategy, and that seems to be sexier in the minds of students. Also, at the moment, a lot of them are interested in careers in digital marketing and social media marketing.

Q. What should the research industry do to make itself more relevant to their ambitions?
It has to start to own the strategy area. If it doesn't move in that direction, it will cede ground to the management consultancies and data science companies. Not only will it lose the strategic portion of its business, but market research will end up evaluating communications, or doing studies of market potential, and that's about it.

The problem is that many of these strategic issues are very technical. So if we think about how a client could shift customers across channels, a market research company couldn't research and manage that on its own. Even a typical management consultancy can't do that on its own – it doesn't have the IT capability. So maybe there's a need for market research companies [to ensure they are relevant by] developing strong partnerships with data science, for example.

Q. Will research miss out on the best talent?
Some skilled and rigorous people will always be attracted to research. My overwhelming feeling is that it continues to be an exciting industry, but that it really needs to upskill in big data, and take ownership of that area. Of course, computer science and technology companies are thinking the same thing.

Q. Did you manage to convince your students that research was worth considering?
They had two presentations, from Diageo and Shell, and now they are much more interested. We convinced them that this is the coalface of strategy – the area of marketing in which you uncover new facts, and really have an influence on decisions.

If they worked in a job that was further into the planning cycle, they would probably be implementing strategy rather than creating it.

So when we explain what research can achieve, we can convince them.

▸dramatically expanded the survey market to clients that – when they phoned up the big agencies – basically got laughed at."

Even among large clients, Batchelor has seen a change in tastes. "I suspect there are some things for which the client wants to phone up brainy people and ask them to find out something, and there are a lot of other things that are like a sort of monitor. It goes on and on, and suddenly goes 'ping' when you're out of an acceptable level of performance – then you investigate."

Who's taking your surveys?

'Has the US become over-surveyed?' asks the headline on an article in which Irving Crespi, of Gallup, says: "I wonder whether we are reaching the point where we are saturating the public. It is a very serious problem that threatens the long-term viability of the survey profession."

The article points out that over-surveying leads to resistance, especially from the young and old, the well-educated, the very rich and the very poor, who are all under-represented in samples. This bias – or unwillingness to engage – may skew polls for the upcoming election, it warns. The American Statistical Association laments that most surveys are trivial, and that they have become "an exploitative exercise" for the public.

That's from the 29 October edition of the *New York Times* – October 1975, that is.

It's also now more than a decade since comScore's research into online panels found that 30% of the surveys in the US were taken by 0.25% of the population, and that those 0.25% belonged to, on average, seven panels each.

Yet, of course, we're still hearing the problem that there are too many surveys, asking too many questions, with too little validation that stated preferences are genuine or representative. Surveys have become an unwelcome accompaniment to any

online activity – an annoying buzz that tells us our opinions matter, without sounding at all convincing.

Recently, there has been much worry about the survey-taking behaviour of millennials; in the February 2016 edition of *Quirk's*, for example, Dan Coates, MaryLeigh Bliss and Xavier Vivar, of Ypulse, analysed the responses from their panel of 18- to 34-year-olds, and found their attention span for surveys shows a sudden drop after around 15 minutes.

In the past two years, though, this has dropped alarmingly. "Reviewing our recent syndicated surveys shows that population has been dropping off closer to the 13-minute mark," the company says. Half the respondents now complete surveys on a

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❝ We still hear that there are too many surveys, with too many questions, with too little validation that stated preferences are genuine ❞

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smartphone, but they tend to drop off earlier – Ypulse recommends surveys of 8-10 minutes.

Recent polling problems highlight the flaws of the data we collect. On the one hand, it lessens confidence in surveys among decision-makers, although part of that stems from a lack of engagement from the public. The relevance panic that was gathering steam in the mid-1970s hasn't caused the end of research but, equally, the industry hasn't solved the problem with panels.

At RN, Jantz says that his invitation-only recruitment model is intended to reduce this problem. "Nobody is getting rich taking surveys, but the incentive is important, and that's why we focus on loyalty programmes, or brands with strong incentives or rewards. The consumer joins because they value the incentive that the partner offers. They're engaged with

that brand. They value that currency and they are willing to share their time to earn that currency," he explains.

Focusing on loyalty brands for recruitment means the incentive (survey-takers earn points for vouchers) is valued, but RN stops keen survey-takers from participating too often – or from taking multiple surveys at a sitting – because each type of behaviour implies a reduction in engagement. It's a tricky balance to strike, Jantz says.

RN is also working to increase the relevance of its surveys by developing technology so respondents are not constantly asked the same boring, but important, questions – for example, qualifying questions, or details of status that could easily (and more accurately) be sourced elsewhere. Asking only what you need keeps surveys short enough for millennials and avoids the triviality that probably still enrages the American Statistical Association.

Finally, targeting a pre-engaged population is a way to source scarce panel types; as in 1975, some segments are hard to engage. "This allows us to get segments of the market that no-one else can get at," says Jantz. "Business-to-business research is a very challenging thing to do because, if you're recruiting out in these open-recruitment sources, the IT decision-maker tends not to be hanging around those places. We're uniquely able to get at those people. That's how we craft our partnership strategy. We look for under-served or under-represented segments of the population."

The result, claims Jantz, is that "an order of magnitude" fewer respondents are excluded for quality reasons in comparison with other panels. That means better relevance for clients, but also suggests that the panellists are more engaged. Response quality, Jantz argues, is a better driver of value in the long run than sweating the firm's assets, when the asset in question is a panel of people who you're trying to engage. "The optimal ▸
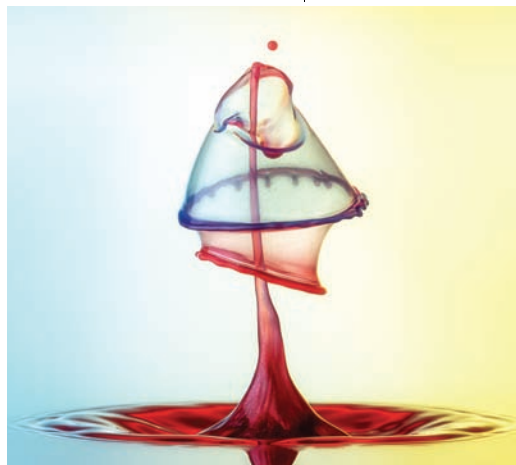
management of an asset [traditionally] is to get as much out of it as you can. We recognise that's not the best way to generate a high-quality research asset."

That level of engagement is what Jeremy King, the CEO and founder of start-up research provider Attest, is seeking. A trained research geneticist, who was previously a consultant at McKinsey, King says: "I saw the same problems with how insights are used in every organisation I came across."

Attest is building a semi-automated platform to help solve these problems, starting with panel recruitment. King wants to bring more of his science background to bear on the recruitment and retention process so that, in hard-to-find segments, there are representative samples to survey. He is also building a platform so that non-specialists can create credible surveys, designed so that panellists only get involved in research that is relevant.

Pre-launch, King is cagey about the rewards for participation, but he points out that high-value participants – especially wealthy ones – aren't motivated to engage so much by cash or voucher incentives, as by the desire to see what has been done with their input – to have "a seat at the table".

The tools that inform scientific research – longitudinal surveys taking a minimum of time, with quick feedback, presented as a regular input to decision-making – will create an emotional connection between panel and client. "We've seen a lot of agencies building the faster horse," says King, "We're trying to build the car."

Whatever that car eventually looks like, King is part of an emerging movement to create relevance in research: prioritising nuggets of insight, delivered where and when they are needed in the business; using technology platforms to automate the reporting process; and prioritising smaller-scale intimacy rather than large-sample incentivisation. Research is fighting back against those who question its relevance in a world of behavioural and operational data.

For the decision-maker, the respondent, the future researcher, or simply the curious customer, there's no easy solution to making insight relevant, because relevance is different for all of them. They know it when they see it, which is why the process of defining a project too tightly, or restricting that process to an internal insight function, is often risky.

For everyone dedicated to ensuring relevance, there's one common factor: research seems to be most relevant when the right people at each end can communicate without barriers – a client-agency partnership structured around decision-making, not hierarchies of reporting.

"That ability to lose control is really, really important," says Hill, at Jaguar Land Rover. "When you do that, nine times out of 10 it tends to work. I'm an absolute control freak. It's quite hard for me even to say this, but you've got to be prepared to let go, and hope that it comes out in the way that you're expecting it to."

DOING, NOT KNOWING

"If a client only says, 'that was interesting', we've failed," says Chris Molloy, founding partner at Brand Potential, a boutique research agency that combines the skills of innovators, creative and client managers. "If the client says: 'I know what to do now', that's a success."

Molloy doesn't want to be interesting; his agency was founded on the basis that, unless clients make a decision or change their behaviour based on their findings, then insight is a cost for those clients.

One of its clients is Mars Petcare. "We're like an SME inside of Mars," says Gordon Smith, marketing and sales director of Mars Horsecare, a business unit inside Mars Petcare. "We can't collect data for the sake of it, and we work across a broad brief. We share

our strategic priorities, and we work with one partner on product development, commercial development and strategic goals."

Smith needs to work with a broad set of skills, combining insight, activation, advertising development, commercial platforms and packaging design from one research company. This breadth helps makes decisions, he says: "As a business manager, you often have three or four reports on one product line. The challenge is to match them up so you know what to do."

Projects are usually iterative and rarely linear. Recently, for example, a chance remark given by a horse owner in qual research led to a new product that wasn't under consideration, but which has added 15% of incremental business to its product category

– a category that Smith admits he would never have bothered to research (sugar-free, anti-laminitis feed for horses, to be specific).

For Smith, having an insight provider with a broad range of research and product-development skills – who could take the product from bright idea to final concept – was vital.

Making research relevant to action is "a recurring topic" among clients, says Molloy. This is unsurprising considering half of Brand Potential's engagements come from private equity (PE), where the unsentimental search for potential and value from investments mean every piece of insight has to suggest an action, and most of their presentations are to marketing directors or above. It also means 'research' is defined broadly.

"We will work with PE to do due diligence on acquisitions, for example," says Molloy. "We sit alongside commercial and legal due diligence, finding things such as growth drivers – ways to accelerate the business, improve the supply chain and distribution. In this sector, it's all about the numbers."

However, that doesn't mean just crunching those numbers. Part of the skill of being relevant, Molloy says, is influencing the brief; for example, driving hard to whittle it down to the three elements that might change a decision. Although that discussion is sometimes difficult, he says, he's doing the client a favour by making the output relevant. "Our view is that the client always wants to do something – no-one comes to work just to be better informed."

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Store-cupboard
secrets

Premier Foods is behind some of the UK's oldest and most iconic food brands. But as the company's head of insight, **Pat Thomas**, reveals, you won't find the company resting on its laurels. By *Bronwen Morgan*

T o step into Premier Foods' Hertfordshire headquarters is to take a trip down memory lane; imagery and marketing materials for brands such as Mr Kipling, Smash, Bisto, Oxo, Angel Delight and Bird's – to name just a few – line the walls. It feels like peering into my granny's kitchen cupboard.

Despite the obvious history, however, Premier's brands are far from consigned to the past; a staggering 96% of UK households buy one of the company's products each year, and the annual household penetration of its four largest brands ranges from 48% (Batchelors) to 60% (Mr Kipling). Bisto (59%) and Ambrosia (50%) complete the power quartet.

Keeping track of the activity of many of these brands is Pat Thomas, head of insight for the grocery business (Premier's brands are split into two main groups: grocery and sweet treats). Thomas has been at Premier Foods for 14 years. Before that, he worked at companies such as Unilever, Mars and Coca-Cola (see CV box), but has stayed at Premier longer than anywhere else. He puts this down to his role there being "endlessly fascinating".

"It's changed a lot over the years," he says. "The stable of brands we own now and in the past – and, hopefully, in the future – is very interesting to work on."

All change

Thomas's talk of change is not an overstatement; the business has undergone significant restructuring in recent years, most drastically since current CEO, Gavin Darby, joined in early 2013. Darby inherited a bloated business with debts of almost £1bn, and one of his first big moves was to split off Premier's Hovis bread business to The Gores Group, a US

MADE WITH LOVE AND Super-Sifted **McDOUGALL'S FLOUR**

Only *Super-Sifted* bakes so SUPER-LIGHT!

RIGHT Many of Premier's classic brands are held in great affection by the public – 96% of UK households buy one of the firm's products each year

investment firm. Darby also sold off household staples Branston pickle, Sarson's vinegar and Hartley's jam to foreign buyers.

"Premier Foods' trials are well documented in the press – how we got too big and too far in debt," says Thomas. "We had to manage it and some things had to go. Sadly, one of them was Branston pickle. We held onto most of the good stuff, though, and things are now more stable."

Though there are fewer brands to keep track of, the diversity of the remaining portfolio – especially in terms of their target markets – is still very broad. But Thomas doesn't believe this makes gathering insight on customers any more complex.

"Our brands have such wide appeal and strong heritage that we have no problem finding consumers with opinions on them. People really ▸

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to real strawberries and cream.....

Bird's Angel Delight
tastes just like strawberries and cream

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there you have it — cloud-soft and air-
light. Angel Delight isn't strawberries
and cream, but it tastes just like it.
And now there are two new heavenly
flavours to enjoy—summer-fresh Rasp-
berry Angel Delight and cool Mint
Chocolate. Try them all.
Angel Delight. From Bird's.

Angel Delight

ABOVE 'There are still an
amazingly large number of
people with strong
opinions about Angel
Delight,' says Pat Thomas

want to talk to us about what we could do next
with Bisto or Mr Kipling, and so on," he says.

"There are still an amazingly large number of
people with strong opinions about Angel
Delight. Like many other organisations, we have
developed segmentations to group people into
similar typologies based on shopping, cooking
and eating behaviour, and attitudes to food –
and this helps us select the right people to talk
to depending on the job in hand."

Nevertheless, having such a wide range of
brands means that some of them will receive
more attention than others.

Focus on innovation

The next stage of Darby's plan, after the
streamlining phase, was to focus on developing
and marketing some of the business's top
brands, including Mr Kipling, Oxo, Bisto
and Cadbury's cakes. Last year, Premier
announced that it would continue to double its
spend on product innovation and marketing,
having raised its advertising budget by 86% in
2014, to £8m.

"Premier Foods has, historically, had a low rate
of innovation, for various reasons," says Thomas.
"This was partly financial, and we now seek to
grow the business by making that [innovation
rate] at least as good as, if not larger than, the
average. This means generating lots of new
things for our consumers with brands that we
have under-used for a number of years."

Many of the ideas for these innovations –
whether they are improving an existing product
or launching a new one – will grow from insight.

Background data to inform this process comes
largely from providers such as IRI, Kantar and
Mintel, says Thomas. This is used to understand,

CV
PAT THOMAS

2002 – now
Head of insight,
Premier Foods

2000 – 2002
European market research
manager, Unilever

1999 – 2000
Head of business
intelligence & planning,
Coca-Cola Great Britain

1996 – 99
European brand director,
Schweppes, Cadbury
Schweppes Beverages

1992 – 1996
Research & information
director, Coca-Cola &
Schweppes Beverages

1987 – 1992
Market research manager,
Mars (National Market
Research Agency)

1985 – 87
Analytical services manager,
Great Universal Stores
Catalogue Ordering

1982 – 1985
Operational research
project leader/operational
research manager, Greater
Manchester Passenger
Transport Executive

at a large scale, which categories are growing, which are shrinking, and how consumers' needs and tastes are changing. Premier also works on understanding its core macro categories in detail, he adds.

"[We do a lot of work on] understanding the occasions and needs, where our strengths and weaknesses are, and where the opportunities are. From that, we can start to say, for each individual brand, what are the areas in which we can make progress, either through innovation or elsewhere?

"We're really getting behind innovation. We used to have lots of good ideas – now we're seeing a lot more of them put into action."

The distribution of the insight team across the business is intended to help this innovation process. Insight team members sit within the marketing department, in both grocery and sweet treats. Within grocery (Thomas's domain) they are split into four category marketing teams. Each of these teams contains an innovation specialist and an insight specialist, who work together to develop strategy, decide on the specific projects that should be pursued, and what specific insight work will be needed.

"The marketing, innovation and insight people work closely with sales and category teams to ensure that the innovations we're bringing to market – or any other initiatives that we're doing – not only grow Premier Foods, but also fall in line with category strategies that we have agreed with retailers, as well as the drivers of growth that they would see as relevant to the category," says Thomas.

"That way, what we're doing ends up helping our customers rather than just us. Which is the way it should be."

The product-innovation process will typically take six months to a year, from start to finish. Often, the length of time it takes will be dictated by how quickly the equipment can be obtained to make a new product, rather than the gathering of insight itself (see case study box).

The qualitative stages of a project, Thomas explains, would be carried out by a number of agencies, including innovation and qualitative research agencies. Premier favours smaller companies, he says, because there is greater opportunity to build a personal relationship.

"It's especially important in the qualitative area [that agencies have that relationship with Premier] because they have to become sensitised to what we're looking for, and the things they need to look out for that would ring a bell with us."

From the concept stage through to the volumetrics stage, however, the work would normally be done by one agency to ensure consistency. "Concept writing is quite difficult; if you get the same agency to do it for a regular period of time, it can help you understand what works and what doesn't," Thomas says.

"We work with Nielsen Bases on ours. It's probably the largest company in the world that does that kind of work."

Hollywood glamour

Another indicator of Premier Foods' push to remain current is a collaboration with celebrity baker Paul Hollywood, which launched in Morrisons supermarkets in February of this year. The company was apparently approached by Hollywood's agents to see if it was interested in working with him; and, according to Thomas, this was seen as a good opportunity to put together a range of baking mixes to liven up its baking category.

"The home baking – or baking category, as we now refer to it – has been a bit tired for a number of years," says Thomas. "We have a number of brands within it – McDougall's flour, Be-Ro flour and Atora suet – which, incidentally, has a 99% share of the suet market.

"We spent time looking at what sorts of products would be successful. From an insight point of view, it's been quite easy because he [Hollywood] is such a standout personality and ▸

BELOW Premier Foods has focused on developing and marketing some of its best-known brands in recent years

ABOVE Premier Foods has linked up with celebrity baker Paul Hollywood to refresh its baking category, which includes McDougall's flour

BRANDS TIMELINE

2016
Premier Foods teams up with Paul Hollywood to launch a bakery range

2014
Premier sells a 51% stake in Hovis to The Gores Group to form a joint venture between the companies

2007
Premier Foods acquires brands including Sharwood's and Bisto in its takeover of rival Rank Hovis McDougalls for £1.2bn

1995
Premier teams up with Loyd Grossman to create a range of cooking sauces

1983
Lynda Bellingham first appears as the mum in the OXO family TV ads

1975
Hillsdown Holdings, now Premier Foods, is founded by Harry Solomon and David Thompson

1967
Mr Kipling and Angel Delight brands are launched

1917
Ambrosia brand is founded in Devon

1893
Suet pudding brand Atora is launched

1884
The Cerebos salt company (behind SAXA) is founded in Newcastle

1847
OXO is launched

1837
Bird's custard brand is created

RIGHT Ambrosia custard is one of Premier Foods' oldest brands, having been launched in Devon during World War I

represents something very clear. So it was quite easy to get a positive response to: 'What would you think about a range of products from Paul Hollywood and would you buy it?' It fell into place quite quickly."

In fact, Thomas says, most of the brands within Premier's stable are relatively easy to research.

"They are such everyday things, it's really easy to talk to people about them. Everyone's got an opinion and most people have heard of the products. In some cases, because of a lack of

'SHOP AND COOK' TESTING

A recent product innovation that required the development of new technology was within Premier's Loyd Grossman brand. Some consumers had apparently felt that cooking sauces contained too much liquid, so Premier created Pan Melts – small pots of a gel-like substance, made with natural ingredients, to add flavour to meat or fish.

Once the idea for Pan Melts had come about, the process to bring it to market involved several stages of research. Qualitative research checked the idea with consumers – what they thought of it and how they understood it. This allowed the team to create a structured concept that outlined the insight, the benefits of the new idea, and the reason(s) to believe. Then came product design and testing, package design and testing, and full market mix testing using the concept, the product, the packaging and the price.

Premier favours its 'shop and cook' method for testing new products such as this. It involves taking a person shopping, asking them to find a particular Premier Foods' product (and helping them to do so if they struggle), then getting them to take it home, work out what it is and cook something with it. They then feedback on their experience, to provide an end-to-end analysis of how the product is performing.

"We've found that this has been hugely useful," says Thomas. "It's prompted, but not too much. It's important to know if they actually know what to do with it, and does it do what it says on the tin?"

investment, our brands need a bit of bringing up to date – but, again, that's usually pretty easy to get to from an insight point of view."

Given the rich heritage of Premier's brands, it seems likely that loyalty would play a big part in its success. But Thomas insists this is not necessarily the case.

"We all imagine that there are people who buy the same brand of sliced bread every week, and it's taken for granted that that's what they'll do for the rest of their life. But when you look at the data, it's amazing how few people do that.

"With any brand in food and other groceries, look at the most frequent number of purchases per year and it's invariably one. More people buy it once a year than any other frequency," says Thomas.

"There are a very small number of people who account for a huge amount of your volume – and a huge number of people who occasionally buy your brand. If you're not constantly refreshing these occasional buyers, then your brand will decline, because you're only left with a very small number of people who buy all the time."

The eyes have it

Just as Premier's brands keep refreshing and innovating, the company also tries to keep on top of modern approaches to gaining perspective on its customers.

It has recently installed its own on-site, eye-tracking facility – so new, in fact, that Thomas has yet to visit it. The technology it uses allows the category management team to project products onto a wall – made to look like a supermarket shelf – to understand what they would look like in a competitive environment; something, Thomas claims, that has become more urgent in recent times.

"We came to the conclusion, from a number of places, that we needed to do a bit more diligence on what our products look like 'on shelf', and how they look in a competitive environment," he says.

"That's probably become even more urgent in the past year or so, with most of the major retailers going through range optimisation programmes – trying to get rid of things from the shelf because they're not selling enough."

Given Premier Foods' own ruthlessness in getting rid of under-performing brands in recent years, those retailers could do worse than take a leaf out of its book. ∎

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Sound stream

Taylor Swift may not be a fan, but music streaming company Spotify has big ambitions for its service, and data insight is at the heart of its expansion, as **Mark Uttley** explains to *Lucy Fisher*

Having spent many successful years at AOL, Bloomberg and Sony Music Entertainment, Mark Uttley certainly had the perfect CV for his role as vice-president, consumer insights, at music streaming service Spotify – which boasts more than 75 million active users, 20 million of whom subscribe to its paid-for service.

"Consumer insights clarify who the audience is and my team is focused on understanding trends that help us grow," says Uttley, who credits his boss – chief marketing officer Seth Farbman, previously at Gap – with developing a "world-class" marketing function at the company.

"We are now more brand- and consumer-led," he explains, while admitting that marketing "only began in earnest" at Spotify after Farbman's arrival last year.

As his team grows – it will almost triple in size this year, to around 27 – the insights function is maturing, and Uttley believes "it will be world-class once we have hired the team we are putting in place".

The end goal of this hiring spree is to create a blended team offering qualitative and quantitative expertise, as well as skills in marketing and big data analytics. B2B brand partnerships and media sales insights have also been brought into Uttley's remit.

"This enables us to get the best overall value from our insights work and tell a much more coherent story about our audience to both internal and external audiences," he explains.

Another area of increased focus for the team is social media analytics.

"We have two main tools for this," Uttley says: "Affinio, which is an amazing social segmentation tool that helps us understand the audiences we are targeting online; and Pulsar,

CV
MARK UTTLEY
——————————
June 2014 – present
Vice-president, consumer insights, Spotify – responsible for consumer insights and marketing analytics functions
——————————
Feb 2012 – June 2014
Head of Bloomberg audience insights – delivered global, multi-platform insights that drove editorial and product strategy
——————————
Sept 2006 – Jan 2012
Director of insight, Sony Music Entertainment – built and ran UK insight team; promoted to vice-president, global insight. Introduced a new way of planning artist campaigns using customer insight
——————————
Dec 2001 – Sept 2006
Senior manager, consumer insights, AOL
——————————
Sept 1999 – Dec 2001
Research manager, Ipsos MORI

Research suggests
people stream for
music discovery and
access, and if they
find something they
like they will buy
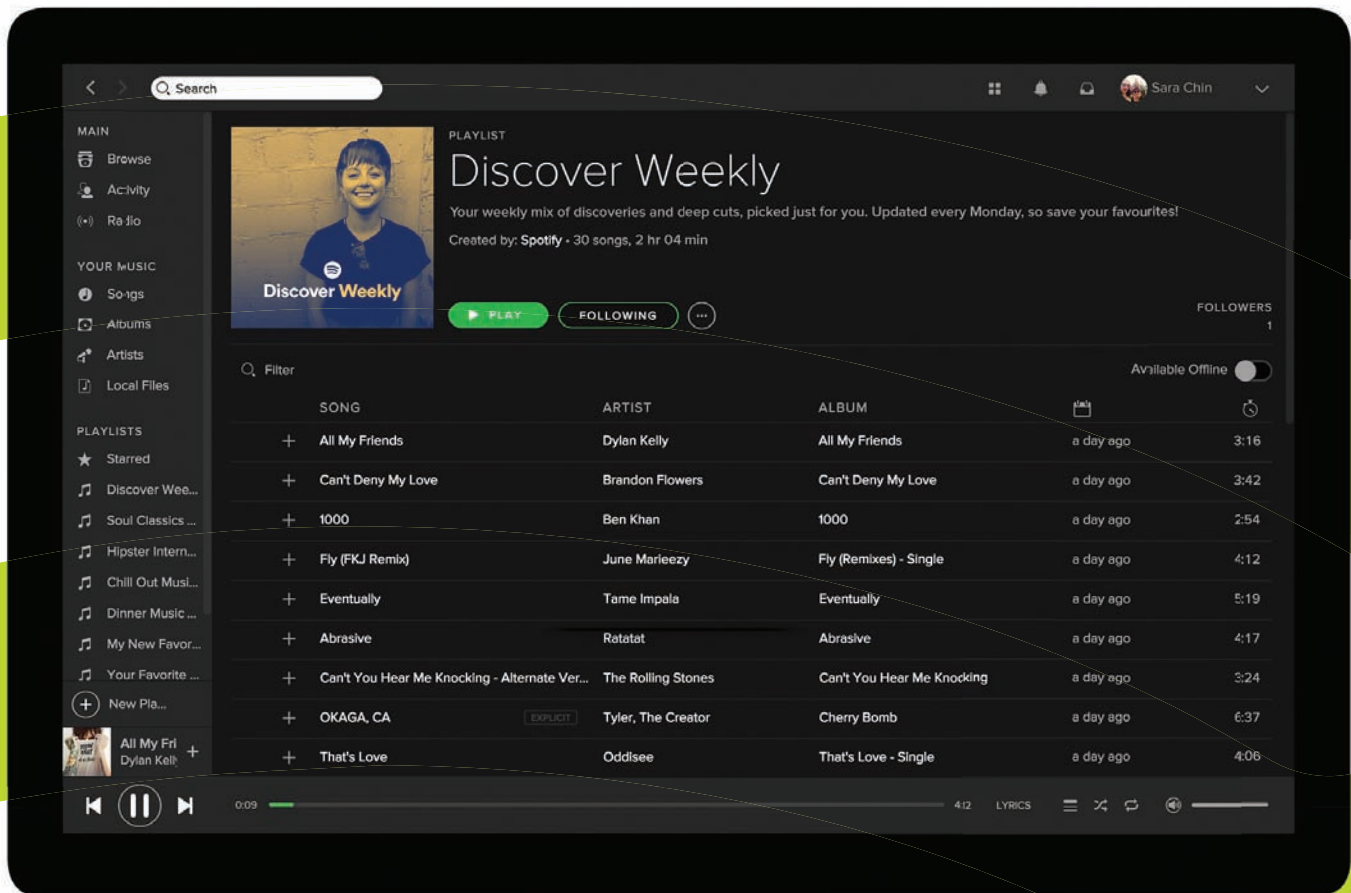
which helps us monitor social buzz online

Both of them will help us to take our social media marketing to the next level, which is a key objective."

Affinio helps Spotify identify very different 'tribes' of consumers in terms of their tastes and interests. The tool allows the team to look through the "lenses" of particular groups and

so avoid the mistake of trying to be all things to all people.

The experience Uttley gained delivering insights for advertising products at Bloomberg has proved useful in his current role. For example, at the media owner he helped to set up a multi-platform, custom [advertising] content deal for Visa, specifically targeting CFOs. "There ▸

Spotify aims to help brand partners target consumers via demographics such as moods and moments

is a major role for consumer insight helping to inform deals like this. I am bringing a lot of this thinking to Spotify," he says.

Mood state

Uttley believes Spotify is well placed to help its external brand partners to target consumers via non-traditional demographics such as moods or moments. According to Jon Puleston, vice-president of innovation at Lightspeed GMI, who has worked with Uttley for many years, the ways in which music listening can reflect mood state and personality is very powerful for insight purposes.

Puleston points to the potential in fusing music-based segmentations into wider offerings for media-planning purposes. "You can start thinking about how music fits into people's lives and build segmentation models linked to personality type," he says.

"There are lots of unexplored areas and what's really interesting is looking at how to fuse more data points together."

That said, when Uttley looks back over his career, to his time at Sony Music Entertainment

– where he started a programme of global segmentation – he admits that the music industry is "not the most innovative" [in data terms]. But he credits agency Crowd DNA with having done some great work for his team while at the label.

Together they created an insight system to help the business share audience understanding among key stakeholders, using a website and supporting social media assets to capture the stories around segments through words, pictures and video. The aim was for the audience to be kept top of mind at all points during the planning and execution process.

"Sony Music was a very intuition-focused organisation that was initially resistant to research and data," explains Uttley. "The segmentation we rolled out gradually made some of the most resistant people much more accepting of insights and much bigger users of it." He is passionate about this aspect of his job and the need for storytelling within market research. "Data-driven doesn't necessarily mean insights-driven," he adds. "You need a clear narrative."

Consequently, he thinks investment in design, copywriting and distribution is crucial for an effective insights function. But he is not one to rely too much on agencies: "We mostly do it in-house. Either you become a glorified purchasing function or you really go to the next level in terms of your understanding, which is what we want to do here."

Uttley's affinity with storytelling is entrenched, and goes back to his days as an English literature student at the University of Edinburgh, when he initially had thoughts of a career in journalism: "The central principles of telling a story are integral to what I do."

The biggest challenge he is facing at Spotify, he says, is "growing pains". "But we have insane optimism and we work hard. We avoid data deluge and silos, and we are focused on getting areas of the organisation to talk." He urges the industry to move beyond talk of 'big data', adding: "It's a boring conversation. Market research is a tool, not a raison d'être. Let's be the storytellers of the digital age."

> " Many believe resistance to the economics of the music-streaming model is ill-founded. The streaming market reached £250m last year and is still growing fast… 70% goes back to labels and artists "

Growing pains aside, Spotify has also encountered resistance from high-profile and influential stars. Singer-songwriter Taylor Swift removed all of her material from the service as a way of fighting back against what many artists believe is a very low rate of payment for musicians each time a track is streamed.

Fan insights
But others believe this resistance to the economics of the music-streaming model is ill-founded. The streaming market reached £250m last year and is still growing fast, according to Kim Bayley, chief executive of the Entertainment Retailers Association, who points out that 70% goes back to the labels and artists. She predicts that, "long term, it will be beneficial for the artists".

Uttley believes the answer is to better serve the artists – and, to be seen doing so. "We're only at the beginning of what we can do here," he admits. "We've done some experiments to help plan and sell out tours, using our data. This was a muscle we didn't know how to stretch before."

In beta just before Christmas, for instance, was an artist dashboard called Spotify Fan Insights, which allows musicians to understand their audiences better.

Spotify has also made a number of acquisitions to bolster its data science skills. Last summer it bought data innovation and analytics firm Seed Scientific, which counted Audi, Unilever and the United Nations among its clients. Its CEO, Adam Bly, is now vice-president, analytics, at Spotify and is creating a data dashboard to allow real-time decision-making across the organisation.

"We are doing a lot to tailor to time of day or mood," says Uttley – adding that he would 'love' to integrate weather into the algorithms as Spotify seeks to deliver ever deeper and more personalised communications.

Running to the beat
Another recent acquisition was that of music intelligence platform Echonest, which has led to innovations such as the ability to auto-generate music according to the speed of a runner. "Echonest is threaded into every playlist now," says Uttley. The product insights team spent a great deal of time understanding runners when creating the product, in an attempt to deliver the ideal music and running experience.

"Music to match your running speed is all about understanding mindsets and mood states again," says GMI's Puleston, "It's useful for all sorts of purposes, such as how you communicate your advertising message to someone. If you're in the bath, you won't be so interested in an aggressive Carphone Warehouse deal. Mood states are very interesting to media planners. Spotify could potentially provide access to this."

But using data, whether or not it's to help with mood states to better segment, is not without its issues. Spotify updated its privacy policy last year, making the collection of personal data potentially far broader, which led to quite a few negative headlines. Uttley agrees that the decision could have been communicated better, but is pragmatic about the need for data: "We were very apologetic – and, overall, if we didn't collect data, we couldn't personalise. It's all optional."

All Spotify's playlists are fuelled by data – whether it's a playlist that responds to your running speed, a party playlist that a user can vary according to the number of people who turn up, or simply the recommendations that Spotify provides. ▸

▸   But what about the perennial challenge of older demographics who are still in the habit of buying CDs – and the growing popularity of vinyl as a counter to the increase in streaming?

"My big thing is that we need a better curation experience," argues Uttley. "We can co-exist with vinyl. I think it's great. It offers a better sound than MP3. We'd be kidding ourselves if we thought the only way music can be consumed is on our platform."

His personal opinion is that consumers "aggregate" their ideal music model. He talks of "convergent" music experiences involving streaming, video and radio.

Gennaro Castaldo, communications head at music industry body the BPI, says UK recorded-music consumption rose by nearly 4% last year, while the retail value of the music consumed also grew for the first time in many years.

"We're seeing consumption become more multi-channel," says Castaldo. "It might sound slightly counterintuitive, but a recent softening in the decline of CD sales and the vibrant

> **" We can co-exist with vinyl. I think it's great. It offers a better sound than MP3. We'd be kidding ourselves if we thought the only way music can be consumed is on our platform "**

growth in the vinyl market point to a possible complementary relationship between streaming and music on physical formats.

"There's also been research that suggests a growing number of consumers stream for daily music discovery and access, but when they come across a recording they particularly like, or one by a favoured artist, they may be motivated to purchase.

"So streaming, which you could describe as a global jukebox in the sky, appears to be leaving space for other formats."

Mature market

The online audio sector is growing and already represents about 5% of digital advertising in the US, which is a more mature market, according to Stuart Mays, director of commercial strategy at Global Radio.

Uttley says that a global study Spotify is rolling out with TNS looks set to prove the incremental reach that streaming services can offer alongside traditional radio, and his attention is also focused on moving away from its traditional "trendsetting millennials" user base, and identifying "follower" groups.

"We use a psychographic approach called 'The Cone'," he says, "which segments consumers into early adopters versus more mainstream groups and has a generational overlay.

"Spotify has done a great job of penetrating early adopter millennials, especially 18- to 24-year-olds, and we are now aiming for older, slightly more mainstream, segments."
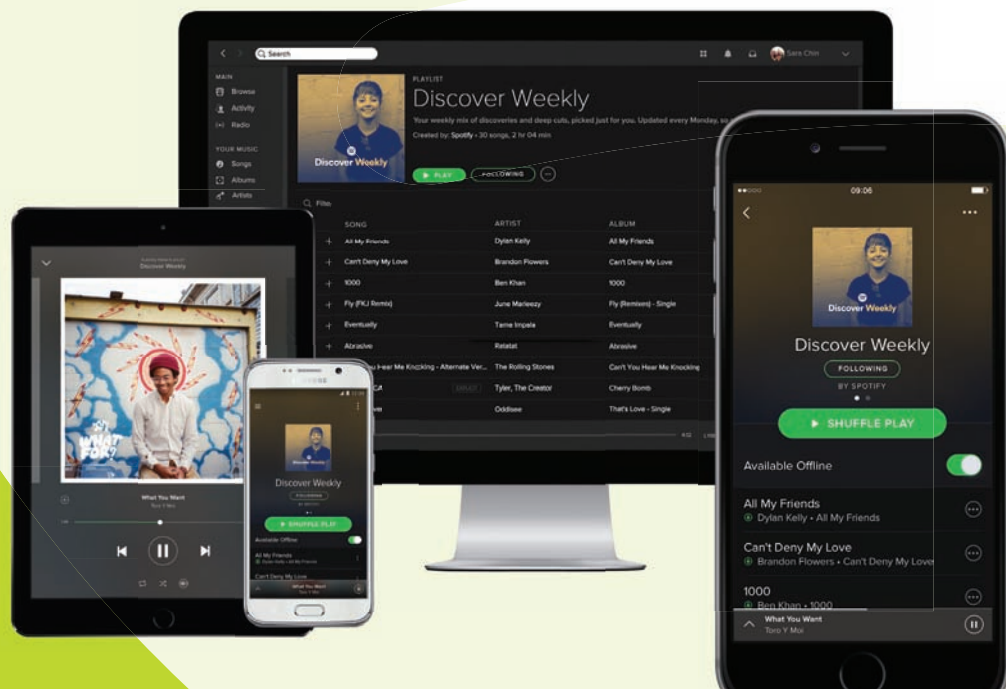
Going forward, Spotify is looking to become a "wider entertainment proposition, with music at the core" – and, to that end, it has recently added podcast and video functionality.

"Our goal is to offer the right content for every moment," Uttley says, "be it a video for your commute, a podcast for a road trip, or music while you are relaxing at home." ∎

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Harnessing the **power** of the crowd for humanitarian innovation

The International Committee of the Red Cross is ensuring its fieldworkers' needs are met by using an ambitious new innovation technique that draws on crowdsourcing. By **Rob Gray**
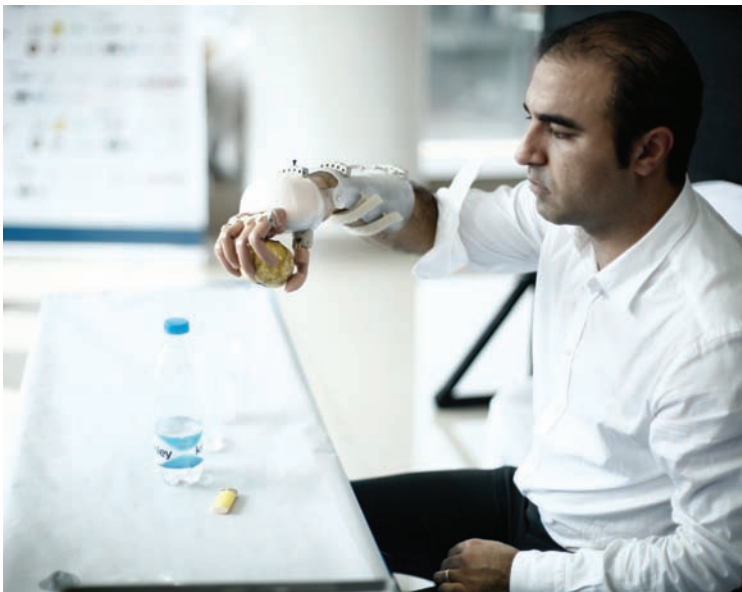
ABOVE Contestants demonstrate their prototypes during the Enable Makeathon Demo Day in Bangalore, India

The International Committee of the Red Cross (ICRC) was established in Geneva more than 150 years ago and its founder, Henry Dunant, was the first recipient of the Nobel Peace Prize. Today, this impartial, independent organisation still has its headquarters in Switzerland and continues its laudable humanitarian mission to protect and assist the victims of armed conflict.

Wars in Syria, Yemen, Mali, South Sudan and numerous other trouble spots around the world bring danger and suffering for trapped civilians, and peril and misery for displaced refugees – all on a huge scale. So the ICRC's work is more vital than ever.

While terrible humanitarian crises remain a horrifying constant, the world is in a state of flux. New models are emerging in the commercial sphere to disrupt markets and turn old processes upside down, while developments in technology, communication, collaboration, co-creation and crowdsourcing also have profound implications for the third sector. In the humanitarian space, ICRC is leading the way in harnessing fresh approaches for insight.

This is in no way a superficial exercise. The ICRC has the bold aim of reinventing the way it tackles innovation to improve the provision of humanitarian aid. At the heart of these efforts is

BELOW AND LEFT Contestants demonstrate their prototypes during the makeathon day
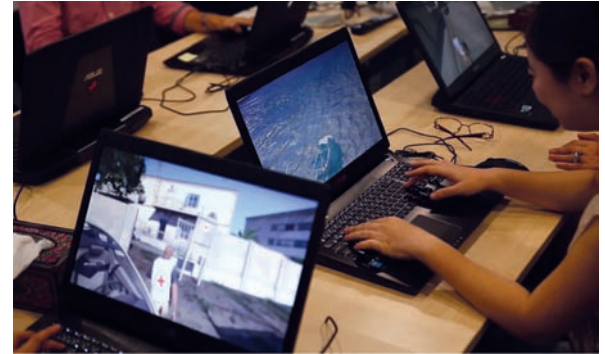
innovation adviser Tarun Sarwal, who moved to the ICRC's Swiss head office in 2009, after four years at the British Red Cross. There he had worked on innovations such as 'cash programming' – which provides money for victims on the ground as part of emergency relief measures – in the aftermath of the Indian Ocean tsunami.

"The ICRC wanted me to bring this kind of methodology and thinking within the institution here," says Sarwal. "After a while, I got a sense that there were many things the ICRC could be doing that are more relevant to people, because people's expectations have changed and technology has changed. It became clear that we needed to democratise innovation. You might call it bottom-up, or 'coalface', innovation, but we needed to be closer to the beneficiaries and to the frontline workers."

The answer was to create a platform of ideas to source needs from workers in the field – who, being in the midst of crisis situations, were best placed to articulate the nature of the problems on the ground. Once these had been identified, solutions could be crowdsourced.

Making this work was far easier said than done. It was not merely a case of meeting the technical challenges of an ideation platform, but of building and galvanising a community around it. After assessing several alternatives, ICRC turned to open-innovation specialist 100%Open and its Geneva-based sister agency Catalyx. Sarwal says key reasons for the choice were the community management expertise they offered and the understanding that "there was as much importance in doing things offline as online".

The platform was given the name RED Innovation and went live early in 2015. Workers in the field were asked to post about the big challenges they faced. The problems identified as most important were then taken on to the 'needs' phase (see box) with solutions requested from the community.

Breaking down hierarchies

"The brainstorming of solutions can come from anywhere, and can be much richer because of it," says Catalyx managing director, Guy White. "A number of the needs that were uncovered in the pilot stage last year weren't on the ICRC's agenda. It hadn't thought about them as something important to focus on. So it is opening up that dialogue, breaking down the hierarchies and allowing organisations to be much more creative and bold in what they are looking to do. I don't think there are any other organisations exploring this method."

White and Sarwal agree that some cultural change is required for an organisation such as ICRC to succeed with this approach. As Sarwal points out, ICRC remains very hierarchical and has standardised operational processes that make it possible to deliver aid at scale. Moreover, for workers operating in danger zones, absolute clarity and consistency – coupled with scrupulous impartiality – is necessary when it comes to explaining what they are doing and why. This is a somewhat different mindset from the openness and collaborative nature of crowdsourced ideation.

"For me, that was probably the biggest change," says Sarwal. "It is only when you go outside and understand what other people are ▸

doing – and you pick up new ideas – that change begins to happen. It is very difficult to bring innovation around when you are talking to the same people all the time."

By the end of 2015, nine months after start-up, RED Innovation had built a community of 633 people from 127 countries. Alongside ICRC staff, the community embraces other parts of the Red Cross movement, corporate partners, people from different humanitarian agencies, and companies active in the sector.

In the first phase, 86 'needs' were identified, and an ICRC summer workshop selected eight challenges as areas of focus. These elicited an impressive 114 ideas from the community. Another workshop at the Geneva headquarters pinpointed the ideas that merited further development. Prototypes for ways these could be taken forward as practical, real-world solutions were uploaded to the platform.

One challenge caught the attention of CERN, the European Council for Nuclear Research – famous for its giant particle accelerator, the Large Hadron Collider, and birthplace of the World Wide Web. CERN has an offshoot called The Port, which brings together interdisciplinary teams from different organisations to work on projects that deliver humanitarian technology or other benefits to society.

The Port organised a Hackathon in October to explore making stronger, more cost-effective bags for airdropping emergency supplies. "This Hackathon, with a whole bunch of students and CERN scientists, actually came out with a brand-new-to-the-world, robust, reusable bag" says White. "It is going to do fantastic things in the world of airdrop materials."

Internal discussions

In addition to the superbags, challenges to be developed further include: 'Hotline in a Box' – a prototype to provide a free and open-source toolkit for the rapid deployment of hotline services; Off Grid Amazon – stemming from the merger of the Re-energise and Light-in-dark-places challenges, for which ICRC worked with UN agencies, the Communicating with Disaster Affected Communities (CDAC) Network and other humanitarian groups on a pilot to build a platform for off-grid energy solutions; and use in the field of palm-scanning technology, developed by Fujitsu, to scan the vein map of a hand, which is unique to each person.

The Social Media Communications and Re-Connections challenges have also triggered

RIGHT The ICRC was founded in Geneva more than 150 years ago

ABOVE First-place winner Mobility India's sitting/standing modular wheelchair for children with cerebral palsy

internal discussions about developing a digital network of movement volunteers, and led ICRC to explore more efficient ways of connecting people to restore family links.

"In the Red Cross, we have millions of volunteers," says Sarwal. "This is one of the strengths of our movement. Each set of volunteers is managed by a branch or by a country, and one of the ideas was, 'can we digitise the way they work?' If people can connect through their smartphones, or through their ordinary phones, and have a platform where they can supply and verify information, they can work as a swarm to respond to an emergency.

"It's a huge idea. It can change the way work is organised, but I imagine it would also be a very ▸

BELOW LEFT Third-place winner RightFit Prosthetics Initiative's Fuji Foot – a low-cost, energy-storing prosthetic foot

BELOW Tarun Sarwal is passionate about the humanitarian possibilities of crowdsourcing

RED INNOVATION – NEEDS PHASE

ICRC asked staff in the field to share the challenges they face for which they did not have solutions. The needs posted on the platform were then analysed for priority by representatives of ICRC's operational units, the innovation initiative, and other in-house innovation enthusiasts. This process whittled down the original 86 suggestions to just eight important challenges, which the community was then asked to address:

- How can we enable people to use their own mobile phones in situations of crisis?
- How can we best use social media to understand, respond and engage more effectively with communities?
- Help us design a toolkit for the rapid deployment of emergency hotlines
- How can we identify people reliably, so the right assistance gets to the right person in remote locations?
- How can we provide people in emergencies with energy solutions to power devices they need – including mobile phones, lighting and radios – for everyday use, and essential survival needs?
- What can we develop to support women in the central role they play in the nutrition of their families?
- How can we create light in dark areas?
- How do we create a shock-resistant and reusable bag for dropping emergency aid?

ABOVE The Mobility India team receive their prize for winning first place during the Enable Makeathon Demo Day

▸important tool to get support from new volunteers. Again, it's only when you get these bits and pieces of ideas that people have, and put them together, that you get something quite as big."

As well as answering specific needs, RED Innovation has been instrumental in unearthing useful new contacts and forming relationships, both across the movement and with other organisations. The platform has created conversations between Geneva and Rwanda, Burundi, Ethiopia, the US, New Zealand, the UK, Nepal, Liberia, Afghanistan and India, and has raised awareness of issues such as urban violence and sexual violence against men.

Opening minds

These achievements have cleared a path for further innovation initiatives. Sarwal says the Hackathon "opened our minds to how much the crowd can give, and is willing to give". As a result, a complementary platform to RED Innovation has been developed, with a more specific focus on the creation of assistive products and devices, to help people with physical disabilities.

Enable Makeathon – which bears the subtitle 'Ideation to Impact' – is, in essence, a large-scale hackathon, launched in late 2015, which began as a 60-day programme to solicit ideas internationally online, but which also featured offline workshops in Bangalore, India. The first wave triggered around 150 ideas, about 10% of which were taken forward to the prototype stage in a co-creation process.

"We had this fantastic outcome with 15 or 16

new products made, which have become ready for the market in such a short time," says Sarwal. "That has been a real learning, because innovation usually takes quite a long time."

As well as speeding up the product innovation process, Sarwal contends that Enable Makeathon allows products to be created for a fraction of the cost of the traditional approach to research and development (R&D).

In a similar vein, ICRC is exploring the possibilities, in a humanitarian context, of the international 'FabLab' movement. Fabrication Laboratories are workshops for the digital creation of products using 3D printing and laser cutting, and they make it possible to build prototype products extremely quickly.

With the launch of its Global Humanitarian Lab – which, at the time of writing, was being set up in Geneva – ICRC is partnering with the UN High Commissioner for Refugees (UNHCR) and other humanitarian organisations to invest in making potentially life-saving products more easily available, where they are needed most.

A prototype developed in Geneva – or at a networked FabLab elsewhere in the world – could potentially be delivered immediately to where it is needed. At the push of a button, a 3D printer many miles away in a troubled location could spring into life. The falling cost of the technology makes this an increasingly viable option. David Ott, senior innovation analyst at ICRC, is leading the Global Humanitarian Lab project.

Collaboration with other humanitarian agencies here, and elsewhere, is fundamental going forward. "In the corporate sector, you compete in your innovation," says Sarwal. "But, in our sector, it doesn't make sense to do that.

"If a private source or a donor source funds Unicef to produce a new solar lamp, it makes no sense to fund UNHCR and ICRC to do the same thing. It makes sense for us to share things."

There is no doubting Sarwal's passion for the humanitarian opportunities being created through crowdsourcing, a trend he calls "Uber-isation". As a fan of technology, he admits to still getting a kick from using an app to summon a cab in downtown Geneva.

But there is an argument to be made that it's Sarwal and his colleagues who should be hailed, for making an organisation that is more than a century and a half old into a frontrunner for using open innovation to improve the lives of those unfortunate enough to be caught up in conflict and disaster. ▪

ACTUALLY, IT *IS* LIKE BRAIN SURGERY
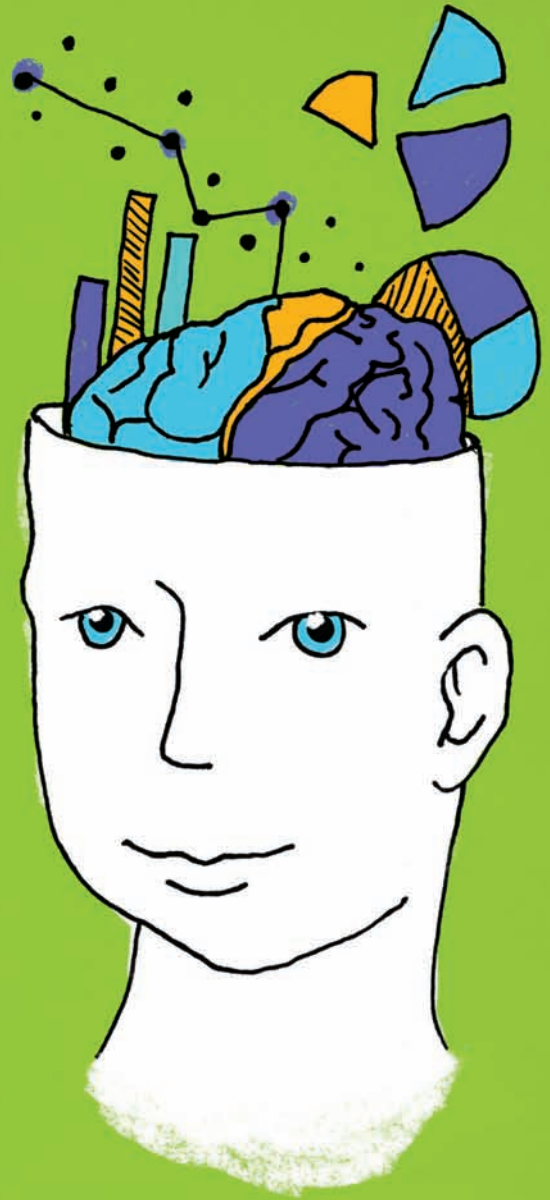
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BYRON SHARP IN SEVEN

BYRON SHARP, DIRECTOR OF THE EHRENBERG-BASS INSTITUTE, UNIVERSITY OF SOUTH AUSTRALIA, IS A CHAMPION OF EVIDENCE-BASED MARKETING. HIS LATEST BOOK IS A FOLLOW-UP TO *HOW BRANDS GROW: WHAT MARKETERS DON'T KNOW* ENTITLED *HOW BRANDS GROW PART 2*

1 What do you think is the most common misconception among marketers about their discipline and brand-building?

Byron Sharp: There are a number of common misconceptions and they are often surprisingly damaging to marketing effectiveness – sometimes catastrophically so. Too many marketers, and market researchers, fall for what I call 'marketing's attitude problem'. This is where problems about buying behaviour – that is, not enough sales – are recast as brand image problems. So if the problem is 'how do we encourage more recycling of rubbish?' it's recast as 'how do we get people to care about the environment?' Many brand plans argue that the reason sales growth hasn't been as robust as desired is that the brand image is 'not strong' – whatever that means – or needs to be 'updated', 'modernised'. The idea is that if we can just get people to see us differently, then sales will go through the roof. In reality, what's holding back sales is that people hardly think of the brand; it's seldom noticed, and not fast enough, and it's difficult to buy. The need for differentiation is a related myth, as is the idea that brands sell to distinctive groups of people, or that it's beneficial or necessary to target a particular group – and therefore not speak to other buyers.

2 Given your views of purchasing behaviour, what is your opinion of the way market research is carried out and used by companies?

BS: They're not views, I just happen to know some important facts about purchasing behaviours. Some market research is a waste of money; questions are asked repeatedly, using different words, but they are all measuring the same thing. Attitudes, satisfaction, and so on, are all highly correlated with past sales behaviour. On top of this wastage, such questions are tracked continuously when they don't really change – other than from random variation, and systematic/predictable variation with sales. Some market research – focus groups, marketing mix modelling, neuroscience, advertising pre-tests – gives untrustworthy output.

3 Your argument is that brand loyalty, as most marketers think of it, is a myth. Is there an occasion where genuine, single-brand loyalty exists?

BS: Brand loyalty, in terms of actual behaviour, is everywhere. It's the idea that this is caused by 'love', or 'attachment' that's largely wrong. Does brand-love-based loyalty ever happen? Yes, of course; the world is a big place and there are a few odd consumers but their strategic importance is negligible.

4 Big data – friend or foe?

BS: Continuous, non-intrusive data collection will become increasingly common. It's not yet of great value to many marketers because (a) much of it doesn't show anything that isn't already known, and (b) the ability to analyse data (of any sort) is not as strong as it should be. Such data will become more prevalent. Today it's over-hyped.

5 Science survives on constant discoveries. What areas of marketing science need new laws? Where should marketing research concentrate now?

BS: Little marketing research leads to laws because researchers aren't looking for patterns that repeat – they need to start looking. There is so much to learn. For years I've been asking the question: 'For magazine advertising, is the right-hand-side of the page more effective than the left?'. No-one seems to know. There are millions of these questions still unanswered. Competition between marketing departments will increasingly be based on who learns fastest and implements that new knowledge.

6 Omni-channel is a current favourite word – does it change strategy and customer preference?

BS: Was there ever a single channel era?

7 If you could make businesses make one change to their marketing strategy, what would it be?

BS: Stop doing competitions and loyalty programmes. Take the savings and spend it on reaching new and occasional buyers. ∎

EXTREME BUSINESS

'CUSTOMER FOCUS' IS HAPPILY BANDIED ABOUT BY BUSINESS LEADERS, WHILE CUSTOMERS ARE LESS CONVINCED. IT'S TIME TO ADOPT SOME EXTREME PRINCIPLES, SAYS PROFESSOR **STEVEN VAN BELLEGHEM**

The word 'extremism' now has such negative connotations. When we hear about extremism in politics or religion in the media, it is all too often associated with some of the world's biggest problems. But, when it comes to the future of relationships between firms and customers, extremism is increasingly necessary.

If I were to ask a room of 100 business leaders whether they thought their business was 'customer-focused' I'd be very surprised if the vast majority didn't agree. In my recent research, 80% of CEOs claimed their company was customer-focused. Why is it then, that only 8% of customers believed that firms they buy from are customer-focused?

A recent study by McKinsey showed that the difference between being 'customer-focused' and having an 'extreme customer focus' is not down to the channels or products – these are the basics that everyone would hope they get right – the extremism is between the channels. You can suss out whether a company is extremely customer-focused when things go wrong – in the little details, and how they deal with individuals' complaints. For example, extreme customer focus is when a company is ready to recommend a competitor if it might offer a better solution for that individual customer.

Successful Belgian radio station Q-Music has built a reputation for going the extra mile spectacularly for listeners, and prides itself in its slogan 'Q is good for you'. In one competition, the station gave a house worth €250,000 to a lucky listener. The winner was of course delighted, but joy quickly turned into despair when the construction company walked away from the job half-way through, turning a dream prize into a nightmare.

Q-Music quickly came up with a solution and instead paid €250,000 in cash, straight to the winners, so they could buy a new house. You might think that was the only fair thing to do, but ask yourself how many companies would have opted instead for a long drawn-out legal solution between sponsors, builders and several other parties in an attempt to save money. Q-Music put the listener first, and this extreme customer focus has helped build a loyal army of listeners and brand advocates.

Google is another example of a company that, despite the distractions that come with being one of the world's most powerful brands, still stays focused on the needs of individual customers. Rather than forcing users to fit in with how its service works, Google made a customer commitment that whatever the problem a particular customer is struggling with, it is Google's problem.

If a user can't spell or if they don't know the right words to use, Google will helpfully suggest alternatives that might yield better results. If they can't speak the language, Google Translate is on hand; if the web is too slow for them, Google has its Loons project in the pipeline, aiming to bring fast internet connections to millions more people around the world.

Google has made a public commitment to look at the whole problem, and that mindset is so engrained into its culture that it has made an emotional connection with millions of customers around the world, becoming an essential part of their everyday life.

So how do companies show they really do have an extreme customer focus? Look at your own 'symbols of extremism'. These are the details by which you prove to the individual customer (and to yourself) that you really mean it, and while they might seem like minor details, the little things you do to go the extra mile can make you stand out from the crowd.

In the increasingly anonymous digital world, it can be easy to forget the value that people add to the customer relationship, but real extreme customer focus cannot be achieved without also focusing on the human element within your business.

It is an interesting paradox that the more we embrace digital, the rarer human interaction becomes, and we therefore value it much more highly. This is the element of the customer relationship that you cannot automate – computers don't offer empathy, passion or creativity – so genuine personal skills must be engrained into your company culture, if you are going to build an emotional connection with your customers. ▮

Prof Steven Van Belleghem is author of *When Digital Becomes Human*, published by Kogan Page

BEHAVE YOURSELF

BEHAVIOURAL BIASES ARE EVERYWHERE, AND **CAROLINE WEBB**, AUTHOR OF *HOW TO HAVE A GOOD DAY*, THINKS WE SHOULD BE TAKING ADVANTAGE OF THEM IN OUR WORKING LIVES TO INCREASE PRODUCTIVITY. BY *BRONWEN MORGAN*

Behavioural economics and its application to marketing strategy is ubiquitous these days. It's rare to hear a discussion on consumer decision-making that doesn't refer to System 1 and 2 thinking, and how its related biases can be manipulated to encourage people to act in certain ways.

But management consultant and executive coach Caroline Webb thinks we can – and should – look beyond applying this thinking only to other people, and use its primes and nudges to affect our own working behaviour positively.

Throughout her career – she trained as an economist but has spent 15 years at McKinsey and her own firm – Webb's focus has been on working with CEOs and senior teams to help them "shift their behaviour, raise their game and be at their best more of the time". But she believes the same approach is applicable to people of all ages, roles and levels of seniority.

Using her science-based approach to "engage people to think about personal change and where the opportunities might be", Webb has written a book, *How to Have a Good Day: Think Bigger, Feel Better*

and *Transform your Working Life*. It introduces the 'science essentials' of the two-system brain, the discover-defend axis, and the mind-body loop.

The book also introduces a series of building blocks, to be used in any sequence by people to nudge themselves towards better, more effective working behaviour. These blocks were identified through Webb's experience at McKinsey.

"Part of the diagnostic phase of a project to help organisations shift culture in a positive direction was to interview a bunch of people," she says. "I always used to ask: 'What's a good day for you?' Then: 'What's a bad day? And what will give you more good days?'

"I used the answers given over 15 years to come up with the seven building blocks in the book."

The areas covered by the blocks are: priorities, productivity, relationships, thinking, influence, resilience and energy. Webb says she uses all of the techniques she describes in her daily life, and she believes most market researchers are well placed to take advantage of the techniques, given their awareness and understanding of the two-system brain.

"If you already know about anchoring and priming – and all the

other fun things that are out there as nudges – then it just shortcuts some of the explanation and makes it a bit quicker and easier for you to imagine how you might turn this around," she says. "You already understand how permeable people are to influence."

If you don't have time to read her book, however, Webb identifies one key element of behaviour that can make an immediate difference.

"If you do nothing else, be more deliberate in deciding what matters to you and what you want to notice as you go into important parts of your day," she says. "Because we have selective attention, we're always experiencing an edited, partial version of reality. Whatever is top of mind for us will determine, to some extent, what we notice.

"It's very rare to really confront the fact that you have this very partial, personalised, subjective view of reality. But it is definitely the most powerful thing you can do." ∎

Caroline Webb is CEO at Sevenshift, senior adviser to McKinsey, and author of *How to Have a Good Day: Think Bigger, Feel Better and Transform your Working Life*, published by Macmillan

Delivering on the promise

It is often said that when a company comes to the stock market through an initial public offering (IPO) it is the beginning of the journey and not the end. After months of intense preparation with accountants, lawyers, bankers, brokers and PR advisers, the management team can be forgiven for thinking the latter.

However, having committed their capital, institutional investors expect the management team to 'play the game' and 'get on the front foot', to work hard and smart to deliver sustainable growth and rising dividends.

In their pursuit of this, the management team need to be aware of the City's unspoken rules and firmly-held expectations, but there is no pre-prepared manual or guide book on how to deal with fund managers, research analysts or even the press. Instead, management must learn on the job and from hard-won experience.

So have you just IPO'ed your business? In an attempt to de-mystify the stock market, and to shed some light on the so-called mystique of the City, here are my 10 rules of the road:

1 We're all in this together
- Shareholders, management, employees and advisers are all accountable
- There is an 'unspoken contract' between providers of capital and users of capital
- One chance to get it right and build a growing business and reputation

2 Expectations management
- Outperforming expectations, outperforms the market

"The team need to be aware of the unspoken rules"

- Always under-promise and over-deliver on the numbers
- The CFO should keep a 'cookie jar' – always have something in reserve

3 Goldilocks scenario
- Not too hot/not too cold, but just right
- Sustainable growth – not too fast/not too slow
- Don't shoot the lights out – better solid and predictable

4 How to achieve growth?
- By a combination of acquisitional and organic growth
- Not just a paper machine, paying for goodwill
- Complemented by organic growth, stealing market share

5 Tough love
- A 'City darling' when meeting expectations (or just beating them)
- Punishment severe if the market repeatedly disappointed
- Future delivery/access to capital becomes harder or impossible

6 Regulation makes it harder
- Before 'Big Bang', house brokers gently reduced expectations
- Now, trading statements lead to knee-jerk share price reactions
- Resulting in derating as well as absolute fall in share price

7 Hedge funds v Long-only funds
- New masters of the universe
- Shorting stocks and causing more volatility
- Gearing up the fund and churning it

8 Value will always out
- Short term driven by supply and demand
- Long term driven by quality and value
- But, long term is made up of the short term.

9 What does history teach us?
- That it doesn't teach us anything!
- Human nature does not change – fear and greed
- The cycle is dead. Long live the cycle!
- Avoid operational and financial gearing – toxic combination

10 What's best – the Holy Grail?
- Management that consistently delivers on the promise
- Admired brands with strong market positions and sustainable growth
- Robust cash flow and rising dividend pay-outs. ◼

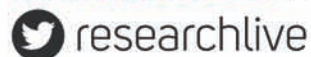**Lorna Tilbian** is executive plc director and head of media at Numis Securities

THE LANGUAGE OF THE INTERNET

JOHANNES EICHSTAEDT MINES SOCIAL DATA TO DETERMINE THE PSYCHOLOGICAL STATE OF POPULATIONS, WITH SOME COMPELLING FINDINGS. HE SPOKE TO *JANE BAINBRIDGE*

Throughout his academic career, Johannes Eichstaedt has always worked with data – it's just that initially, as a physicist, it was particle physics data rather than psychological data he was processing. But when he realised that he "didn't much care for working in a particle accelerator", Eichstaedt switched to psychology.

Now, as a data scientist in psychology at the University of Pennsylvania, and co-founder of the World Well-Being Project, his time is spent using natural language processing to measure well-being among populations.

His research has included using Tweets to predict heart disease and Facebook statuses to identify depression.

LANGUAGE PATTERNS

In the case of heart disease and Twitter, he was part of the team of scientists that analysed more than 50,000 tweeted words to characterise community-level psychological correlates of dying from atherosclerotic heart disease (AHD) in the US.

The language patterns identified as risk factors reflected negative social relationships, disengagement and negative emotions such as anger; while positive emotions and psychological engagement emerged as protective factors. In their findings, published in *Psychological Science*, the researchers found that "a cross-sectional model based only on Twitter language predicted AHD mortality significantly better than a model combining 10 common demographic and socioeconomic risk factors, including smoking, diabetes and obesity".

Twitter topics that positively correlated with county-level AHD mortality included hostility and aggression; hate and interpersonal tension; and boredom and fatigue. In comparison, topics that negatively correlated were skilled occupations; positive experiences and optimism.

"It's not that Twitter has some magical prediction power that other variables don't have. It's an extremely good predictor of income and education and of communities where people smoke – so it picks up predictors of health behaviour, and then it adds a sliver of psychological causation that the other variables don't seem to be getting at," says Eichstaedt.

A linear discriminant analysis (LDA) algorithm crunches the data by working with 2,000 language clusters that distil what people talk about in their Facebook statuses or Tweets.

But how accurate is this social media data? Eichstaedt says there are two biases in it – sample bias and desirability bias. However he says the sample bias is overestimated: "The median age on Twitter is 32 and for the US population it's about 36/37", adding that once the sample is big enough, the model re-stratifies the sample to be more representative.

He says there's some evidence that people misrepresent themselves (desirability bias), in particular suppressing negative emotion but that "the variance between people is still highly interpretable".

FACEBOOK DATA

And there are differences between the media in terms of data. With Facebook data, the users have to give permission, which means "if you get 50,000 in a sample that's amazing – generally data from Facebook users is 3 – 10 times as good as Twitter users".

For his depression study he used Facebook data.

"For psychological insight, Facebook is preferable; it's just you can't get its data for that many people." But in this case he was using data collected by someone else, which he reinterpreted to understand depression.

Looking forward he thinks diabetes, which seems to have a lot of behavioural predictors, might be an area worth researching – not that all areas of wellbeing research are ripe for social media data analysis.

"As long as your data is big enough it will always work; the question is, will it improve on other methods? And there the answer is sometimes no; when trying to predict something like cancer, it didn't work because income and education appear to be a much better predictor than what's happening on Twitter." ∎

FINDING THE SUPER-PREDICTORS

TECHNIQUES VARY FOR ASKING PEOPLE TO MAKE PREDICTIONS AND SOME INDIVIDUALS ARE MORE ACCURATE THAN OTHERS, IF ONLY THEY CAN BE IDENTIFIED, SAYS **JON PULESTON**

Before you read this article, can I ask you to make a prediction: do you think it will rain in London next Wednesday?

The traditional approach to making predictions has been to ask a representative target group a question and aggregate the answers, relying on their views being reflective of the wider population. It can be costly and difficult to reach truly representative audiences and we have always faced difficulties dealing with what people say, and what they actually do, which can be quite different.

In the late 1990s, prediction market protocols gained attention as a more efficient means of making predictions. Based on the theory of the wisdom of the crowds – if you ask a group to forecast an outcome and their opinions are all independent and unbiased, the prediction errors of individuals should cancel themselves out, and what remains is the distillation of the knowledge.

This is far less reliant on a balanced sample, and predictive perspective can allow people to look at situations more objectively than our often subjective perspective of looking at our own behaviour.

A very effective technique for certain types of research prediction tasks, it can be uncannily accurate for doing things like price predictions, and is particularly effective for advertising copy

evaluation too. We have found prediction protocols like this can deliver results that highly correlate with traditional rating techniques but require far smaller-size samples – around 40% less.

The nagging problem with this methodology, though, is that it's not always 100% reliable. In fairly extensive experiments testing prediction markets, we found around 10% of ad predictions were miscalled. This might seem relatively small but it is a worrying error and, using these prediction techniques for other research tasks, we have witnessed errors that can rise to 100%.

COGNITIVE BIASES

Because making predictions is not straightforward, the majority of people of whom you ask the question: 'Will it rain in London next week?' will predict rain. This is because of a popular misapprehension that it rains a lot in London. Well, yes it does, but even in the winter there is a less than 50% chance of it raining, so statistically crowd weather predictions are fairly useless.

This is an example of the cognitive biases – or short-cuts in thinking processes – used to make predictions causing network errors that can trip up crowd predictions. When testing advertising, the one in 10 occasions predictions go wrong tend to be instances when respondents are evaluating ads for more famous brands. People predict they will be liked more just because the brand is famous.

If you ask people to predict who will win an election for example, political preferences badly corrupt things. Even the wording of a question can knock a prediction over. Do more people in the UK own dogs or cats? There is a 20% prediction shift if you simply change the order of wording to 'cats or dogs'.

This may be why prediction market protocols have not seen a wider uptake in the research community – we simply can't always trust them.

But I believe a solution to these problems is emerging from the pioneering academic work of Philip Tetlock who, for the past 15 years, has studied the science of group forecasting, conducting a series of large-scale, long-term forecasting tournaments.

Three years ago I joined one of these tournaments, called the Good Judgement Project and, along with 3,000+ other people, we were challenged to make a series of ongoing geopolitical predictions. Over several years, they tracked how successful each person was at predicting. See Tetlock's book *Superforecasting* for the outcomes.

Essentially what Tetlock and his team discovered was that that among the crowd are some forecasters who are significantly and consistently better at making predictions than others – he named these individuals 'superforecasters'. Small groups of these superforecasters working in teams could significantly and consistently out-predict the larger crowds.

Inspired by this methodological approach, two years ago we started to conduct some of our own – albeit more modest – longitudinal prediction experiments on our panels. We wanted to see if this approach could be applied to consumer research.

Could we isolate some panellists who were better at making predictions on certain topics? In essence, we started to see that the prediction performance of our sample was indeed stratified. Some respondents were generally better
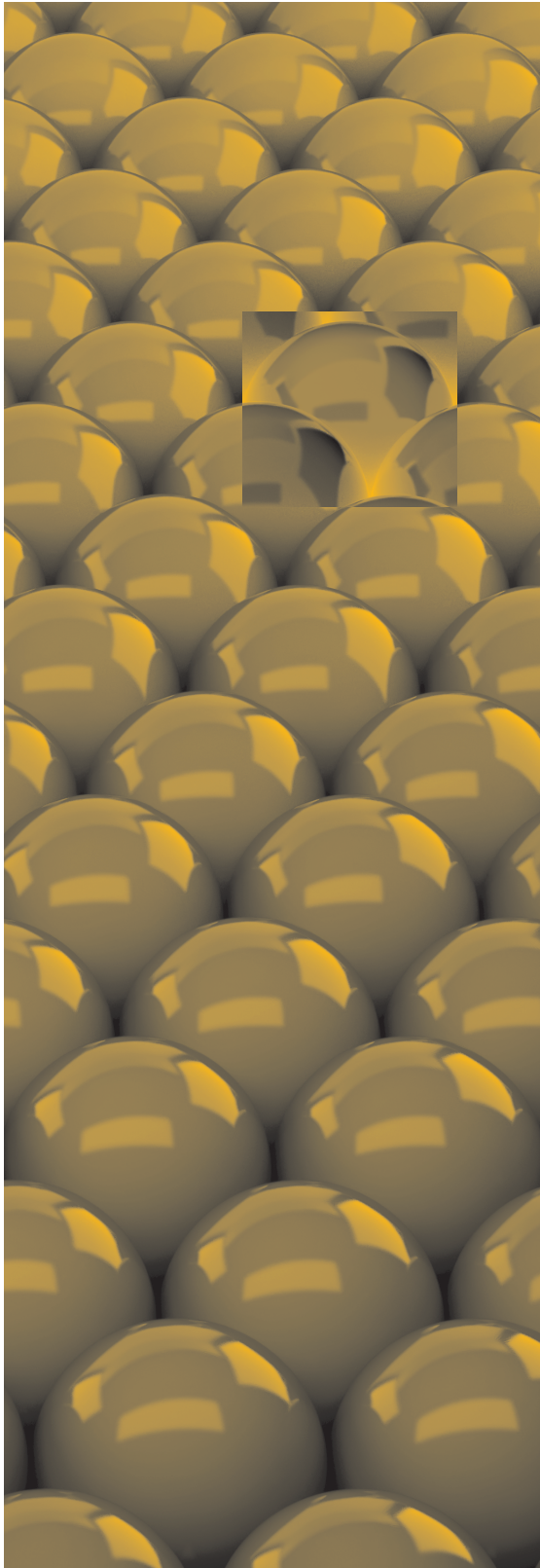
at making certain types of predictions than others. We were able to isolate people who were slightly better at spotting good ads; better at predicting who would leave *The X Factor*; better at assessing the market price of products; and we even found some people who were better at predicting the weather.

By removing the poor predictors causing network errors, we found prediction quality could be significantly improved and forecasts started to become a lot more reliable.

NO SHORT-CUTS

So we found a solution – work out who are the best people at making predictions on any one topic and just ask them. But the story doesn't end there. Determining those who make good predictors was easier in some cases than others. To work out if someone would be good at predicting the weather was easy – we just had to ask them if they had seen the weather forecast. But in most cases there are no short-cuts like this; the only way to find out was by going to the trouble of asking them to make a series of up-front predictions – usually over a series of surveys – and auditing their performance. In Tetlock's experiments, for example, each person had to make at least 20 predictions before reliability could be determined, which took at least a year.

The solution therefore moves from a theoretical challenge to a practical one; how to motivate people to take part in an extended series of surveys to find out who was good or not at making predictions and – once we had found the good predictors – working out how to keep hold of them.

Because typical re-invite participation rates in surveys on our panel can be less than 60%, the number completing five surveys in a row can fall to below 25%. To get higher volumes of participants to repeat-participate we had to adopt a more 'respondent-centred' approach to survey design that had to be – first and foremost – rewarding.

As a result, we have developed an approach to survey design we've named 'surveytainment'. Thinking about the surveys like a publisher would about a magazine – injecting editorial content alongside advertising – we added content to the surveys specifically to engage respondents. It became a more game-like experience, positioning them as quizzes and challenges, where respondents would only find out the answers if they returned to complete the next wave. They were treated like a community by sharing participants' thoughts and opinions.

We have been able to increase five-in-a-row cross-participation to levels reaching 80%, which means we can start to apply this crowd-filtering methodology practically.

These techniques mean completely rethinking assumptions about sample sizes. The sample needed to produce the most reliable prediction depends entirely on the distribution curve of the prediction skills of the base sample. In many instances micro-samples of better predictors have the potential to produce far more stable predictions than much larger groups.

Some 20 predictors, who each can predict with 65% reliability, will collectively generate a more stable prediction than 100 people who can only predict at 55% reliability. Roughly speaking, for every 5% improvement in prediction reliability of your sample, you need half the sample number to get the same reliability.

We are now exploring the application of this crowd distillation approach across a range of consumer categories, with the aim of isolating experts on different topics.

This approach to prediction does require more upfront investment, more creative approaches to engage respondents, and a different mind-set on sample sizes, but it has the potential to transform many aspects of consumer research. ▪

Jon Puleston is vice-president of innovation at Lightspeed GMI

A BRIGHT FUTURE

NEW TECHNOLOGY IS EMERGING THAT USES THE PROPERTIES OF LIGHT AND SOUND TO TRANSMIT INFORMATION. BY **BRONWEN MORGAN**

Light and sound are two of the fundamentals of physics, and contribute to the vast majority of our sensorial experience. But could there be more to them than meets the eye, or indeed, ear? A number of innovations appear to harness the power of both mediums to transmit information, and this could have a significant impact on the world of research, and beyond.

MANY HANDS MAKE LIGHT WORK

LiFi – wireless technology that transmits high-speed data using visible light communication (VLC) – has recently been tested outside of the lab for the first time. Reports suggest that data transmission speeds of 1GB per second have been achieved; this is 100 times faster than current average WiFi speeds.

In simple terms, it works like an extremely advanced form of Morse code; just as switching a torch on and off in a certain pattern can relay a message, flicking an LED on and off at extremely high speeds – imperceptible to the naked eye – can be used to write and transmit information in binary code.

There are a number of benefits of using light, rather than radio waves. These include: a far higher capacity, as well as the ability to connect in places where WiFi can't be used, such as aircraft cabins and hospitals. It is also more secure, as light cannot pass through walls.

The idea has reportedly been around in research labs for some time, but the limiting factor has been that LED manufacturers have so far been unable to make lights that were sufficiently accurate to pulse at the high speeds necessary.

A number of companies are now offering 'plug-and-play' applications for secure wireless internet access; one French company is reportedly in the process of installing LiFi technology in local hospitals. And, while LiFi is unlikely to replace WiFi in coming years, the two technologies could theoretically be used together to achieve better network security and efficiency.

WIRED FOR SOUND

On another spectrum is an app called Chirp, which transmits data – or at least the ability to unlock data – via sound. The company's founder, Patrick Bergel, describes it as a "sonic barcode".

Chirp was originally intended to be used for picture sharing. "Pictures are the atomic unit of the social web," claims Bergel, adding that "Facebook is just a photo-sharing site that got out of control". But Chirp can now be used to transmit any kind of information on a one-to-many basis effectively.

The app creates a unique code that is translated into a "tune" – a "sweet and discreet" noise (according to Bergel) intended to sound similar to that of a bird's chirp – of around two seconds long, which is broadcast from the phone's speaker.

Any phone with the Chirp app that is within earshot of that transmission can then capture the sound, decode it, and download whatever it is from the internet that the "Chirper" wanted to send.

If there is no network available, then items can be pulled up from any data already stored locally on the device. So, if data is already on a device, Chirp is like a key able to unlock information, Bergel explains. This means there is effectively no limit to the amount of information that can be transmitted.

By design, Chirps are intended to go out to anyone 'listening', so information can only be kept secure by placing a password on whatever information the link is referencing. "[Security] is managed on the network side, not the audio side," says Bergel. "But we are currently working on one-to-one Chirps."

Some interesting use cases have developed organically from the idea, he says. For example, the app has been installed on 40,000 devices by Californian teachers, who are Chirping to their students. "It answers a pain point, especially among young people, that no-one likes typing on mobile devices," Bergel says. Other uses have been at events such as London Fashion Week, where retailer Topshop broadcast Chirps from speakers hidden in trees to give the app's users access to behind-the-scenes media content.

And while Bergel hasn't explored the potential of using the app for research, he agrees that there is clear potential for Chirp to deliver links to surveys for location-specific insights.

There are other companies doing similar things, says Bergel, but they mostly use ultrasound to transmit information. He claims that this makes them unreliable, because mobile phones aren't designed to produce sound at that frequency.

The only limit of his approach, he says, is that mobile phone speakers aren't very loud. "But if you put a Chirp though a PA system, which we have, then everyone in a venue could receive it.

"I've Chirped from the stage of the Royal Albert Hall." ∎

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LOOKING INTO THE FUTURE

DR NICOLA MILLARD HAS FORGED HER CAREER AT BT BY COMBINING PSYCHOLOGY AND TECHNOLOGY, AND NOW SHE IS INTERESTED IN HOW TECH WILL CHANGE THE WORKPLACE IN THE VERY NEAR FUTURE. BY *JANE BAINBRIDGE*

Dr Nicola Millard heads customer insight and futures for BT's technology, service and operations global innovation team. She has been with BT for 25 years, in roles ranging from user interface design, customer service and business consulting. Millard worked on BT's first application of intelligent systems in its call centres, and its initial experimentation with home working.

IMPACT: Which came first, an interest in technology or an interest in behaviour?
Nicola Millard: An interest in technology – I had a ZX81 at computer club at school; I coded and made up games. I liked making up stories and writing, and did the same with games – but I was also fascinated by people. I hate being boxed as a scientist or an artist, and I became aware that I could work with both together. It's intriguing when you bring more creative and social stuff together with technology.

**IMPACT:** How did your career path progress within BT?
NM: I joined BT in 1990, as part of what was then the largest industrial human factors unit in Europe. There were a lot of us – an eclectic team of social scientists, mathematicians, engineers, computer scientists, designers – it was a really interesting time as a multidisciplined creative community. I did one of the first European trials of expert systems in contact centres. I was working with our international customer service centre doing very complex fault diagnostic – so we put in an expert system to help the advisers ask the right questions.

I then got involved in a project, in the mid-90s, looking at BT's work-style transformation – at homeworking and how to change the way people work

completely. It was looking at the implications of technology untethering us. I ended up doing some consulting around contact centres. Now, this is a hybrid role to pull in academic research and our own studies within BT's research and development (R&D), and working with large corporate clients to see how it can change the way they work.

IMPACT: What do you think is the most important/least recognised aspect of technology and human adoption?
NM: Why people adopt tech boils down to the 3 Us – useful, usable and used. No-one will adopt technology if it's not useful to them. Then, is it usable? This is about design and user-centred design – Apple set the standard around beautiful interactions. But even if it's useful and usable, it isn't always used. That's about who else is
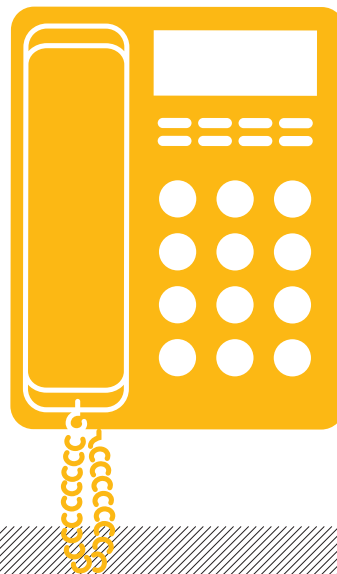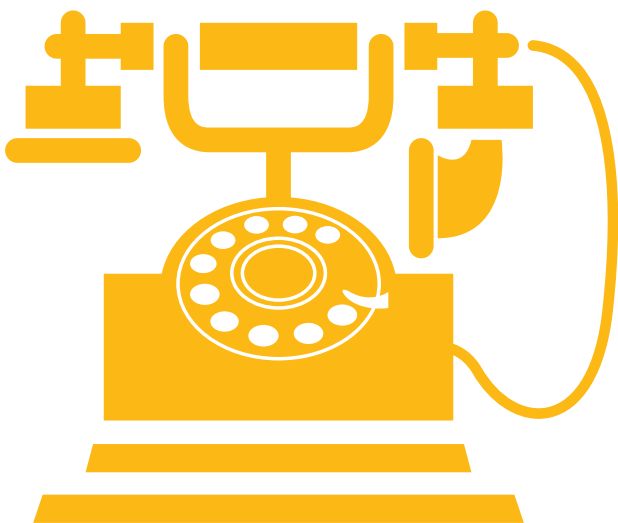
adopting it – are my peers using this? Social networks are a prime example. With any communications tech you have to have critical mass.

Context is important as well. In the area of the future of work, culture is highly dictating. Tech has untethered us, but commute times are going up not down, because – even if tech means you don't need to be in the office – culture often holds us back: 'if we're not seen we won't get promoted', and the social side of work.

IMPACT: You've talked about the importance of the 'enjoyment of use' – something Apple has been ahead of the competition on; but how easily does that apply to less customer-focused tech?

NM: My PhD was on motivation technology and why people adopt or reject in the first place. In a work context, motivation is typically extrinsic because I'm being paid. It's different with the consumer side; I choose to use that tech, so my motivation is intrinsic. However, the evidence points to a lot of consumer expectations being brought into the workplace now. That's pushing IT departments to think about usability and enjoyment of use.

We've done a lot of work on how to create more pleasurable interaction with technology in the work context, which will increase the 3 Us – so you reach a critical mass of use and make people more productive as well.

IMPACT: What processes do you go through to 'look into the future'?
NM: I do more 'soonology' than futurology. Three to five years is a very long time in a corporate, and that's the timescale I'm focused on. It's looking at trends, gathering data, working with R&D people and academics, to spot where these themes are going and then extrapolate. We have our own lab, at MIT Media Lab in Boston, and we rely on them for more radical trends.

IMPACT: How do you incorporate research into your projects – are you doing this internally or using external agencies?
NM: It's a mixture. We go outside to do the big pieces of market research; the core one is the autonomous customer we do with Davies Hickman. That's a very large, global research project on customer behaviour. We also work with academics to pick out some of the trends; for example, web chat came out a couple of years ago, so we look at how consumers are relating to it and whether it is something that's taking off.

IMPACT: What's your favourite bit of tech?
NM: My robot vacuum cleaner – it saves me a lot of hassle.

IMPACT: What are you most proud of in terms of tech introduced/strategy change around tech that you have been involved with at BT?
NM: I'm proud of everything I've done since the initial work on expert systems. It has come around, as I work on artificial intelligence (AI) for contact centres again.

There is a lot of chat right now about robots taking our jobs. If you've got an iPhone, you have Siri, so these chat bots are already in our back pockets. In terms of customer services, we're experimenting to see if you could switch seamlessly from a chat bot to a human if the machine couldn't cope with the conversation. Chat bots are not empathic and they can't make creative or instinctive jumps.

My attitude is to use technology to take away the stuff we don't want to do or to enhance the things we do; and to emphasise skills that make us uniquely human. I like to think the tech revolution might make us value human skills more. ∎
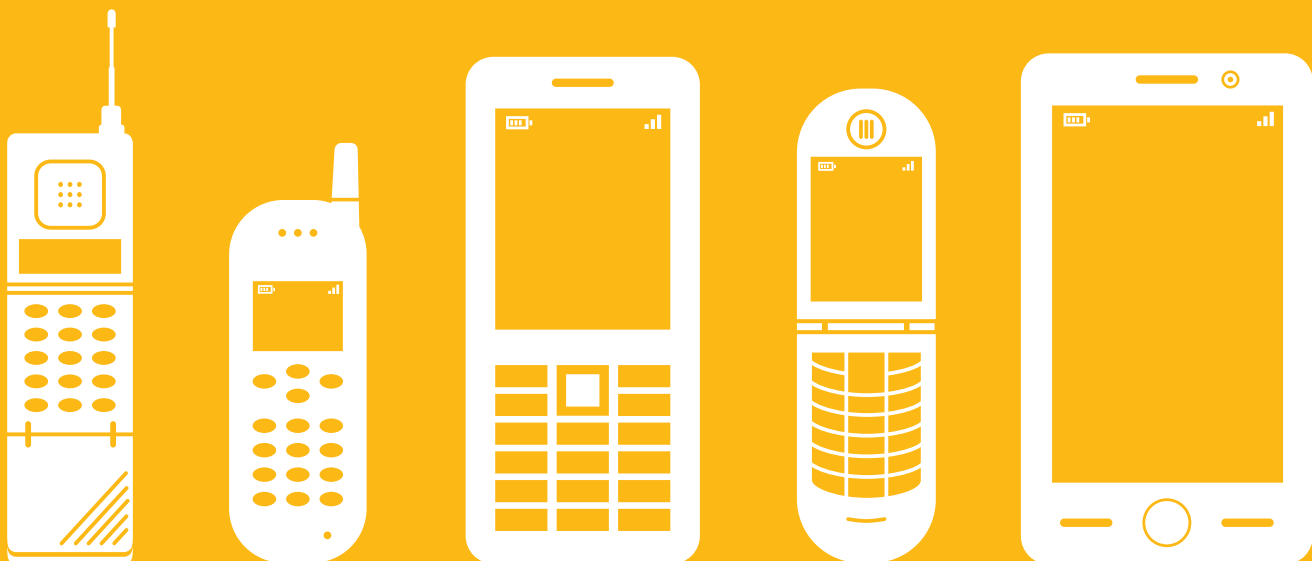
GENDER DIVERSITY IN THE WORKFORCE

SEEMA MALHOTRA MP, SHADOW CHIEF SECRETARY TO THE TREASURY, SHARES HER THOUGHTS ON HOW TO OVERCOME INEQUALITY IN THE WORK ENVIRONMENT

Over the course of 15 years in the private sector and 20 years in political activism, I have come to believe that gender diversity is an issue that transcends sector and workplace and is the number one workplace issue to address in our society. Every way you look, we know gender inequality doesn't just hold back talent but we pay an economic price too – an estimated £600bn.

In the UK parliament, currently only 29% of MPs in the House of Commons are women, and still more men were elected at the last election than the total number of women ever elected. Women made up just 26% of FTSE 100 boards and only 14% of people working in science and technology jobs. Our gender entrepreneurship gap is more than twice that of France and Germany.

Recently I spoke at the launch of a Young Fabian pamphlet called *Women in Financial Services: Is Parity a Pipe Dream?* They had contributions to their work from a range of organisations including the CBI, Social Mobility Foundation (SMF), Women's Business Council, Mentore Consulting, the Finance Innovation Lab, and the Institute of Chartered Accountants in England and Wales (ICAEW). The event for me showed the power of partnership between politics and business. If we want to see change happen, we need to fight for it together. Not only is parity right for social justice, it is right for our economy.

On a separate International Women's Day visit, I spoke to girls in Bristol studying STEM subjects, about the jobs they hoped for. I was blown away by their ambition but saddened by the barriers they felt were in their way. They wanted to be engineers, professors, and even to work in national security. But many felt that they didn't know how to get good advice or support to move their ambitions forward. One said: 'I didn't know I had a careers adviser'; another said: 'I got some careers advice – but it wasn't very useful. The adviser just put my request in Google.'

We need to ensure the doors are open for women to every part of our economy and society that has previously seen under-representation. That's where our institutions play a big part too. Organisations like the Fabian Women's Network, that I founded 11 years ago, still plays a part in pushing forward the frontier of women's representation in our politics. More women in powerful positions means that women can change the nature of power itself – and transform it.

Now the practical question – how can we all do our best to nurture and promote female talent? And how can we see more women rise to the top of our politics, companies and public services? Here are a few ideas:

1 All of us have the chance, in whatever field we work, to make our profession more open and increase the visibility of role models.
2 Whether in business, politics or public services, opting for the historically no-go areas should be a positive career option for women. A programme of visits by women leaders to schools, colleges and universities makes a huge difference.
3 Stepping up our own commitments to improving diversity, greater transparency and tackling low pay – at every level.
4 Investing in mentoring and sponsorship programmes, or apprenticeships tailored for women.
5 We should work towards a radical new approach to support women in balancing home and work – particularly when it comes to caring for children.

This may sound controversial, but it makes good business sense. Eva Tutchell and John Edmonds explore the issue in their excellent book *Made in Norway*. They showcase many successful women and reveal it's not a toddler holding them back – but the attitude of workplaces.

I think it is time to be bold. To take advantage of a sea-change in attitudes and have the confidence to challenge and stand up to inequality.

To quote the potential next president of the United States, Hillary Clinton: "Women's rights are human rights. We are part of the human family. And the progress of any part is progress for the whole." ∎

Seema Malhotra MP is Member of Parliament for Feltham and Heston, Shadow Chief Secretary to the Treasury and Founder and President, Fabian Women's Network

ON RETAINING MILLENNIALS

COMPANIES LOOKING TO APPEAL TO YOUNGER MARKET RESEARCHERS SHOULD APPLY SOME RULES OF GAMING ENGAGEMENT, SAYS **BETTY ADAMOU**

Well-designed games intrinsically engage players because they satisfy four basic psychological needs: mastery, autonomy, relatedness and purpose – and we can learn a lot from gaming, when it comes to employee satisfaction and engagement.

There has been much debate on retaining millennials in the market research industry, but the crux of this discussion is not about improving the office 'look' or buying more beanbags – it's about making the game better. Ergo, it's about satisfying the four basic psychological needs to create an intrinsically engaged millennial workforce.

Ask yourself: when was the last time you offered any autonomy to your employees? Have you given them any time to work on a project the way they want to, so encouraging problem-solving skills, innovation and even failure (which they can learn from)?

When do your employees experience mastery – allowing them to grow in confidence and competency and, in turn, notch up the difficulty level on the

challenges they face day to day at work? Millennials, like everyone else, want to feel that they're not just learning, but also using existing knowledge as a foundation on which to build.

Purpose: when was the last time your staff were included in the wider picture? Do they even understand your company's mission statement or philosophy? Does your company actually have a philosophy or are you just about making money? (Hint: if the answer is 'just about making money' then already you've turned off the millennials.)

Remember that this generation doesn't just want to work for a company – they want to work for a company that's changing the world for the better. They want their employer to be doing something new or breaking ground in some way, whether it's through product, service, innovation or client relationships.

Relatedness: do your staff feel they can relate to their colleagues? Their superiors? Their clients?

Perpetuating engagement so millennials stay in market research isn't just about having an office with fancy tech, or glass walls instead of brick (or vice versa), or open-plan offices. Millennials can see through that material façade in a Snapchat instant. You could argue, that to millennials, the office look doesn't matter much at all.

Take those who slog it out building businesses from scratch as an example. They do so from garages and dormitories and bedrooms… I know I did. And why was I intrinsically engaged, starting my own company? And why do millennials stick around with start-ups even though they may be financially poor and working out of cold garages? Because the four psychological needs are satisfied.

Companies like Google, Facebook, Microsoft and Apple are attracting our talented young researchers. Why? Because they're better at satisfying those needs. These organisations have award-winning programmes that give employees time to come up with their own projects (autonomy) and run innovation competitions that have a tangible impact on their day-to-day work (relatedness, purpose and mastery). ▸

▶ Google is well-known for the autonomy it allows its employees; they can work on things that interest them for 20% of their time. Listen to Dan Pink's TED talk to hear about the amazing results it gets.

If you don't believe that the problem of retaining millennials in market research can be solved by satisfying the four psychological needs, then let's talk about Tom De Ruyck.

He was a 20-something working at InSites Consulting. He's been there for 10 years now and just look what he's done. Moreover, look at what InSites have let him – and encouraged him, to do.

De Ruyck has spoken at industry conferences, written and published papers, travelled the world, and has even become a co-inventor of a (patented) software programme. His job title when he started? Junior consultant. What is he now? De Ruyck is the managing partner.

His LinkedIn profile shows he was promoted roughly every year (building his sense of mastery and purpose) and, in that time, he worked on outside projects related to his field, such as being a keynote speaker, a professor at IÉSEG School of Management in Lille, France, (autonomy) and he's co-founder and president of the BAQMaR (the Belgian Association for Quanti and Quali Marketing Research) conference – more autonomy and relatedness.

I have no idea what the InSites Consulting offices look like but I'm sure De Ruyck's tenure there is less to do with the office look, and more about the conditions in which his engagement has been perpetuated over time.

For the market research industry to retain millennials, it must understand how to engage people intrinsically to build happy workforces that can grow with our businesses. Just like De Ruyck at InSites. ∎

Betty Adamou is founder of Research Through Gaming

THE JOB MARKET
ADRIFT AT THE TOP?

As the winds of change continue to sweep through the research industry, Sinead Hasson asks whether those in more senior positions risk being left behind

In recent years, researchers have had to do more than their fair share of adapting to change. Every job evolves over time but it is the pace of the digital revolution that should be the biggest concern for career-minded researchers. The availability of data, and the ease with which it can be generated – together with ever-more-powerful analytics tools – are enabling us to reveal clearer, more meaningful insights than ever before.

But as the insight rulebook is rewritten, what's happening to those researchers who no longer work at the sharp end? It's getting harder for them to keep up, that's what. And when a knowledge-based industry like ours is disrupted faster than its participants can adapt, problems start to emerge.

As the years roll by, researchers are conventionally promoted into roles with more senior management and coordination responsibilities, many of which focus more on the commercials of an agency, for example, or the strategic role of research in the wider business, than on the practices themselves. But, with the sands shifting at such a rate, are the experiences demanded by these roles being undermined? Put another way, can those in charge continue to perform effectively if their understanding of 'how things are done' is being eroded as each day passes?

Participation is the answer, of course. Only by getting involved and continuing their development can more senior researchers retain their credibility in the face of change. Capable as they are, however, the onus to 'keep up' shouldn't be on them alone; it is equally

> ❝ Only by getting involved and continuing their development can more senior researchers retain their credibility in the face of change ❞

important that the board recognises the risk posed by skills degradation, and creates roles for senior researchers that require at least partial engagement with day-to-day practices, as well as wider corporate management functions. Training will only take you so far. For the skills to stick, you must do the job, too.

While it is right that this issue is both recognised and addressed, it is equally important that businesses don't lose sight of the value that their experienced researchers still bring to the table. Sure, the practices may be shifting, but the business needs for research and insight remain the same as they have always been.

Senior researchers are adept at putting themselves in the client's shoes and routinely draw on their experience to explore, challenge and extend the brief. Adding value during this development phase can have a dramatic effect on the value of the insights gained at the end – arguably more so than, say, how the data is collected, or the tools used to analyse it. They can build trusted relationships with clients quickly, and can offer the direction and leadership that more junior research teams need to work at their best.

These functions can only be performed by those with the appropriate experience and – happily – will ensure senior researchers continue in their posts for years to come. Amid a sea of change, it's good to know that some things do remain the same.

Sinead Hasson (@sineadhasson) is the founder and managing director of recruitment consultancy Hasson Associates.

April

21 Participatory research with street children

May

12 Travel, Tourism & Hospitality Conference

26 Working with an integrated evaluation approach

June

10 Excellence Lunch

24 Automotive Research Conference

30 Business-to-Business Research Conference

30 Millennials cashing out? How 16–25s use money

July

14 Market Research and Insight Yearbook

28 MRS Summer Party

September

15 Operations Awards

22 Luxury Research Conference

29 Technology Conference

29 Mass observation to interpret public opinion

October

13 Insight – A Force For Good

18 Researching the vulnerable: a new approach

28 Consumers Exposed Conference

November

17 Financial Services Research Conference

24 Methodology Research Conference

December

05 MRS Awards Dinner

MRS calendar of events 2016

Challenge your mind and grow your network in 2016 with an MRS event

www.mrs.org.uk/events

MRS Curiosity Insight Revolution

PREPARING FOR DATA REFORM

DATA PROTECTION REFORM IS HAPPENING WHETHER THE UK VOTES TO STAY IN THE EU OR TO LEAVE. HERE **DR MICHELLE GODDARD** LOOKS AT HOW THE CHANGES IN REGULATION WILL AFFECT YOU

As we await the final text on the agreed General Data Protection Regulation (GDPR), the scope of the reforms – and the increased obligations placed on businesses processing the personal data of individuals – is coming more clearly into focus.

WHAT DOES THE GDPR DO?

This comprehensive overhaul of the data protection framework creates a new regime that attempts to modernise data protection so it is suitable for a digital world. The jury is still out on how successful it is in balancing rights, but changes to be aware of are that it:

- **Creates a single set of rules** (but not quite) – one of the goals of the GDPR was to create a common set of rules across the EU. However, with more than 50 exemptions that allow member states discretion as to how they implement the rules, they will still not be fully harmonised in key areas, ranging from the consent age for children and the exemption for research purposes
- **Operates with extraterritorial effect** – The rules apply to all organisations that process EU citizens' personal data, regardless of where they are located. So if you are analysing, storing or monitoring the activities of EU citizens, your business will fall under the regulation
- **Expands the definition of personal data** – what constitutes 'personal data' is much broader and it specifically covers 'online identifiers'. This means cookies and advertising IDs will be caught, along with anything that contributes to identifying an individual, or links to such identifying information
- **Places greater liability on both data processors and controllers** – wider responsibilities are placed directly on data processors, who now have a much higher risk profile. Previously, there were no direct obligations, but this has changed under the GDPR; data subjects/individuals can take direct action against them or the data controller
- **Requires greater business accountability** – some administrative burdens are lifted because there will no longer be a need to notify the UK Information Commissioner's Office of how you intend to use personal data. In its place, however, are new requirements on maintaining good records and systems, doing privacy impact assessments and entrenching privacy by design and default
- **Enhances individuals rights** – data subjects will have a right to be forgotten and to data portability, so you can be required to provide data to individuals in a format that allows them to take it to a competitor. Existing rights have also been strengthened considerably. There will be a right of access to data – including the retention period – free of charge, within 30 days. There is much greater focus on the clarity of information notices and it will be easier for people to object to different types of processing, including profiling and marketing. Businesses have an obligation to promote these rights to individuals
- **Introduces notification of data breaches** – there is a new requirement to notify data protection authorities of serious breaches within 72 hours and to let individuals know where the breach may cause harm
- **Mandates appointment of Data Protection Officer (DPO)** – businesses involved in regular and systematic monitoring, or processing of sensitive data, on a large scale will have to appoint a DPO

■ **Raises standards for cross-border transfers** – current mechanisms such as Binding Corporate Rules and model contract clauses will be acceptable under the GDPR. The EU-US Privacy Shields, intended to replace the Safe Harbor arrangements, will need to go through the process for assessing 'adequacy' before it can be approved.

■ **Increases fines and strengthens the enforcement regime** – significantly heavier sanctions are a sea change in the data protection reforms, with fines for non-compliance of up to €20m or 4% of worldwide turnover.

LEAVE OR REMAIN? DATA PROTECTION COMPLIANCE STILL NEEDS TO START NOW

The GDPR introduces a harmonised regime with a common set of rules, applicable in all EU member states from spring 2018. In light of this, one obvious issue to consider is the possible impact of the result of the June 2016 UK referendum on EU membership.

Suffice to say that – regardless of whether the country decides to leave or remain in the EU – it is inevitable that data protection reform will continue to be a critical part of the legal landscape.

If British citizens opt to leave, the UK will still need to maintain commercial and trading relationships. If it decides to join the European Economic Area (EEA), then the UK will be required to adopt EU laws.

If the British electorate votes to leave the EU completely, then similar or 'equivalent' data protections will need to be put in place to ensure that the UK regime for data protection is considered 'adequate' to allow cross-border transfers of personal data of EU citizens.

Regardless of the precise legal requirements, commercial trade – with its increasing demands on individuals and awareness of the importance of data control – means that data-protection reform will continue to be a core compliance issue for all businesses, including researchers. Guidance from regulators and EU institutions will help flesh out the nuanced detail and implications of these reforms for researchers. In the meantime, however, all organisations need to start a GDPR compliance project. ∎

Dr Michelle Goddard is director of policy and standards at MRS

70 years on trend

At the time of writing – a week before annual conference – it is clear that this is going to be a record-breaking year in terms of delegates. What's more, the number of clients attending has never been higher. That's a strong signal that – in our 70th year – MRS is more relevant than ever.

The figures in PwC's Business of Evidence 2016 show a sector in good health (see page 10 – a sector that has become more central to businesses and the lives of consumers and citizens. From our individual personal data to the ever-multiplying sources of big data, we are swimming – and in some cases drowning – in data, both in our everyday lives and in the workplace.

Far from driving a great divide between qual and quant, what the PwC report shows is that this data revolution has brought the value of qualitative research back to the surface. In our search for meaning amid the masses, it is qual that we need in order to ask the question 'Why?'.

At 70, being relevant is just as important to an association like MRS as it is to rock stars. Very few of the latter pull it off. I think the success of our annual conference, and these encouraging numbers from PwC, are evidence that MRS – and the sector we serve – will be trending for 70 years to come.

Jane Frost CBE, chief executive, MRS
jane.frost@mrs.org.uk

MRS Curiosity Insight Revolution

MY SOCIETY

Twitter sponsors new MRS Award for Social Media Research

Judges will be looking for innovative case studies where analysing social media data, or integrating it into a broader research methodology has led to powerful new insights that address client challenges, leading to innovative solutions and commercial results for businesses.

The key criteria for the award will be:

- Demonstration of a new – or best practice of an existing – technique in the field of research, using social media
- Proof of effective application and client impact in terms of real commercial change
- Ability to replicate the methodology

Find out more at **mrs.org.uk/awards**

The Curious Computer

The MRS Delphi Group has commissioned industry figures to contribute opinion pieces on artificial intelligence and the future of market research. You can see them at mrs.org.uk/curiouscomputer

In September 2016, the group will publish a paper on the theme written by Colin Strong, managing director of Verve Ventures.

If you have a view, the MRS Delphi Group welcomes contributions to add to the debate.

Email christian.walsh@mrs.org.uk to find out more.

MRS Delphi Group presents

The Curious Computer

Read views from industry leaders on AI and the future of research.

MRS Curiosity Insight Revolution

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Calendar

Member events

April
21 – Growing Up on the Streets – Learning from Participatory Research with Street Children

May
24 – IJMR Lecture: Polling with John Curtice and Pat Sturgis
26 – Working with an Integrated Evaluation Approach

June
10 – MRS Excellence Awards
30 – Millennials Cashing Out? The Instrumental Way 16-25s Are Using Cash

July
14 – Market Research and Insight Yearbook: Evidence into Impact

Training highlights

April
28 – Writing to Achieve Results (NEW)
This session helps you adapt your own writing style to meet the needs of diverse audiences.

May
18 – Sensory Evaluation Concepts in Qual Research (NEW)
How the basic principles and practices of sensory evaluation may be adapted to qual research.

June
8 – Finding the Story in the Data (NEW)
How to take information and find the key messages.

15 – Focusgroup+
Gain a new level of insight into customer values and needs.

16 – Design Thinking
Delve into the everyday world of the user and consumer and watch from this perspective.

Conferences

12 May
Travel, Tourism and Hospitality
23 June
Automotive Research
30 June
B2B Research

Find out more at mrs.org.uk/events

IMPACT 8 5

Where next?

You've reached the end of *Impact*, but there's plenty more original content to enjoy in the MRS's family of publications, including Research-live and *IJMR*

RESEARCH-LIVE.COM

The power of relationships in an age of overload
In an always-on world, the value of relationships and human interactions grows, says Paul Tredwell. He discusses how to use the African concept of Ubuntu to navigate an 'overwhelmed economy'.
https://www.research-live.com/power-of-relationships

Class is a social thing
A lecture by sociologist Professor Mike Savage explored the notion of social class in the 21st century. Savage discussed his popular digital social science work with the BBC, which explored cultural class analysis.
https://www.research-live.com/class-is-a-social-thing

Waning cultural relevance of Oscars and Grammys
Research by Added Value into the cultural relevance, equity and character of what were previously seen as cultural juggernauts revealed that streaming media are gaining ground.
https://www.research-live.com/oscars-and-grammys

The golden age of NLP?
With data volumes growing exponentially, NLP and machine learning are improving the text analysis process. But as Frank Hedler points out, text mining still requires specialist knowledge to find the insight.
https://www.research-live.com/golden-age

IJMR

How priming reveals the hidden truth
David Penn explores how response latency and semantic priming were used to capture negative bias towards eBay on the part of non-users, and how this could be challenged with above the line advertising.
https://www.mrs.org.uk/true-lies

A new measure of cultural embeddedness and its effects
Alexander Jakubanecs and Magne Supphellen propose the cultural embeddedness of products (CEP) scale as a predictor of consumer attitudes and intentions, especially for local products and potential brands.
https://www.mrs.org.uk/cultural-embeddedness

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