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**Reflections on the future of the market research industry: is market research
having its 'Kodak moment'?**

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Reflections on the future of the market research industry: is market research having its 'Kodak moment'?

As a case study in failure Kodak's inability to make the shift from analogue to digital is hard to beat. After inventing the digital camera in the 1970s the firm stuck with its high margin film and printing business and, when faced with the emergence of digital photography in the 1990s, doubled down on print (Anthony, 2016). High quality digital cameras are now available to billions of people on smartphones, and whilst Kodak understood the technology and possessed the right innovations it could not position itself to take advantage of the changing business environment (Shih, 2016). A company that employed nearly 150,000 people at its peak has now effectively disappeared.

What does this have to do with market research? Without stretching the comparison too far I would argue that there are useful parallels and, perhaps, lessons to be learnt. Like Kodak, the market research industry is full of innovation and understands the changing nature of the business and technological environment (often, much better than the clients it serves). However, I also believe that the ability to respond to the changing environment is proving problematic. One of the reasons for this is the way in which the boundaries of the market research industry are defined.

The traditional industry definition is based around a "client/agency" business model. The temptation going forward may be to double down on the familiar and reinforce current industry boundaries. This is the easy option, but it would be a mistake for two reasons. The first is because this would define an industry in financial decline. The MRS/PWC "Business of Evidence" report shows the number of employees in 'core suppliers' between 2012 and 2016 fell (PWC, 2016). The same reports show that when accounting for inflation, revenue is more or less flat. These negative

numbers should be seen in the context of a huge boom in the value of research generated outside traditional providers (PWC, 2012).

The second reason is that market research can no longer realistically expect to go it alone as an industry. Many of the key strategic issues relating to data collection and analysis will not be decided by research agencies, but by the actions of Google, Facebook and hundreds other firms with an interest in customer data collection and analysis. This is not a one-way street. The knowledge and skills in research methods built up by the sector over the last century have a critical role to play in ensuring the success of the new data economy. Many in the sector would agree that corporate enthusiasm for the collection of data has not been matched by a management skill in turning it into useful insight. Even more seriously, the key role of ethics and professional standards in market research does not appear to be shared by firms in the 'new' economy where business models are often based upon the erosion of customer privacy.

No-one has a crystal ball, but technological trends point to a continuing reduction of the size of the market for traditional fieldwork. Mainstream analytics data available from Google and Facebook have already shifted from behavioural to demographic data, and the role of AI based tools in analysing sentiment as well as visual data poses a longer-term threat to much routine qualitative work. In an era where agile organisations define themselves in terms of the value they generate for customers rather than the industry to which they belong, perhaps discussion of the role of a 'market research industry' is a moot point.

What can be done? I make three general suggestions that would help to broaden the scope and reach of the industry. Firstly, there should be a shift away from the term market research, a term that speaks to the past of the industry and not the future (Nunan, 2016), towards labels that better represent the value created for customers. This is a trend that we have already seen in the US with

the establishment of the Insight Association to replace the MRA and CASRO. Secondly, there is a clear opportunity for the sector to use its expertise and take a leading position in ownership of the important problems raised around ethics and customer privacy. Finally, there should be an openness to firms of all types who have a stake in making sure that 'evidence matters'. Perhaps the greatest danger of the client/agency model is that deep customer relationships which facilitate commercial success can create an 'us and them' mentality where research agencies perceive themselves as the only legitimate providers of insight.

Few can have escaped the growing popularity amongst senior managers of the idea that data provides a source of strategic advantage. Big data, analytics, data science and similar terms have captured the imagination of management consultants and members of the C-suite alike. The core innovation of the market research sector - that decisions should be made on the best possible evidence - has become mainstream. The question is how - and whether - the sector can benefit from this opportunity. The danger for market research is that it becomes the "business of methods", much like Kodak became the "business of film" instead of focussing on the broader value generated by photography. Recognising that the future of the industry is in supporting evidence based decision making, wherever it lies, is in everyone's interests.

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