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thinking.



Saving Market Research

An Interview with Brett Townsend, SVP of Strategy, Quester

Brett Townsend:

Brett Townsend is the SVP of Strategy at the research firm Quester and co-author of the book "Insights on the Brink".



Once upon a time marketers would not hesitate to invest in market research before launching a new product or taking a gamble on a Big Creative Idea. Loads of time would be spent up front conducting focus groups and sending out surveys. Weeks would go by as data was collected and turned into voluminous slide decks. The research sponsors would then gather expectantly to hear what the consumer insights people had found. Invariably the audience would get lost in a dense maze of charts and graphs, left wondering: "So what is all of this data telling us we should do?".

The consumer insights professional would feel they've done their job: delivered the project they were asked to lead. Whether they were being asked to do a brand tracking study, conduct concept testing, decipher consumer usage and attitudes, define market segments, or measure brand equity, they faithfully followed a methodical and proven process that was usually lengthy and involved and expensive. As far as they were concerned, however,

that's what it took to produce statistically reliable results. Yet those intimidating slide decks, once presented, often became single use artifacts. Whatever new knowledge had been gained would be filed away and forgotten. The researchers would just move on to their next project.

Today many marketers have concluded that the traditional research function, wedded to its rigorous methodologies and practices, has become too slow and costly in an age of real-time marketing where speed and agility are favoured over deep analysis. Traditional research budgets are drying up. Entire research departments are being shut down. Marketers are now doing the work themselves, using do-it-yourself research platforms. And increasingly, insight generation is being handed over to data scientists whenever first party data is abundant.

Roughly a decade ago a deluge of clickstream, CRM and social media data began flooding internal "systems of insight". The Era of Big Data had arrived, and it changed the insight function forever. Marketers realized they could extract more immediate and relevant insights just through direct observation of consumers, using sentiment analysis, voice of customer feedback or individual behavioural tracking. Pockets of insight began to spring up in organizational silos, eroding the authority of the consumer insight group and snatching away research dollars. However, this fragmentation of the insights function has come at a cost: no one is in charge of assembling all of the bits of knowledge and insight into a unified picture of the customer. Marketers see consumers – the CX group sees customers – the digital team sees users – sales sees buyers. Splintered views of the same customer.

Like everywhere else these days AI will have a profound impact on market research, transforming the industry by swallowing vast amounts of unstructured data at scale, sourced through social media, consumer reviews, and community forums. AI can conduct surveys through conversational chatbots. It can process and interpret qualitative data like text answers to open-ended survey questions and video feedback. It can speed up ad testing – testing of any kind actually. And it can generate synthetic insights by simulating the probable voice of a customer, creepily indistinguishable from a real person.

If the consumer insights function is to regain any credibility amongst marketers it must evolve from being order-takers to serving as the undisputed organizational expert on the needs and behaviour of customers: not simply describing how people feel, or what they think, but offering an explanation as to “why”. Answering that one question – “Why” – is what leads to breakthrough insights. And that is a strategic role, not a specialist function, according to Brett Townsend, who heads up strategy at the research firm Quester, and is co-author of the book “Insights on the Brink”. In the book Brett offers a rescue plan for saving the industry – showing how consumer insights professionals can go from being “order-takers” to strategic partners, working shoulder-to-shoulder with marketers to make better business decisions.

SS

Stephen Shaw (SS): Why do you feel the research industry is at a crossroads at this point in time?

BT

Brett Townsend (BT): I think what’s happened is that business has become more demanding. In the early days it used to be okay to give people a lot of data because that’s what market research was about. It was an academic discipline that had a lot of numbers and charts and that was just kind of how people accepted it. But now we don’t have time for that. People don’t need to know every data point. They just need to be told what to do, what’s the problem, what’s the conflict, what are the solutions, what’s our key insight we’re acting on. And we don’t have to be 100% sure. People are okay with 80%. Although the demands for what is needed have evolved over the years, we have not evolved as an industry. So there’s a lot of frustration - there’s a lot of, well, what does insights even do for me then? And then market research and consumer insights gets cut because the value hasn’t been established - companies feel they can live without it. We’ve seen whole companies just kill their entire insights department because they don’t feel it’s necessary anymore. And so we really are kind of at this brink where

either we’ve got to re-establish our value or we’re going to fade into the background and just be order takers for the rest of our existence.

SS

Have brand marketers lost faith in traditional consumer research?

BT

Why continue to fund something when you don’t feel it’s working for you? They’re not getting what they need from us. The really great consumer insights professionals are the ones who are asking the why, who are making emotional connections with consumers, and really explaining things that are helping their businesses make money. Unfortunately, there’s a lot of companies who don’t have that kind of insights talent and so they don’t see those results. And so therefore they think, yeah, we can do this without them.

SS

Well, it’s hard to believe anyone would knowingly invest in a multi-million dollar product launch based on a Survey Monkey template.

BT

I think people would be stunned how many large multinational brands make multi-million dollar decisions based on a simple survey. Yeah, it’s shocking.

SS

Which brings me to Pepsi. You worked there for almost a decade. And the chief consumer insights officer there was quoted as saying, “While the organization had access to a wealth of consumer insights, we were not driving competitive advantage for our company.” That’s a pretty stunning indictment when you consider how much Pepsi probably spends on consumer research.

BT

Yeah, just having been inside Pepsi for a while, you started to see how things were getting to that point where there was just a lot of research going on. It was unorganized and you didn’t really know what people were doing. And there was a lot of duplication, and it was very personality driven. It was whoever was in charge saying “I think we need to be doing this.”

What Stephan Gans and Kate Schardt1 did was ask, “How can we make this more efficient? How can we take everything that we’ve learned and digitize it and make it available to everyone?”. They needed to have their insights work harder for them. And what’s interesting is that they ended up getting their budgets increased because people started to see the impact. But to your point, there’s a lot of key insights leaders at big companies who realize that

we have to make a change if we're going to not only stay relevant, but help our companies make money. Because the minute we think that we're in the business for anything other than helping companies make money, that's when we start our demise.

SS

Do you find when you're meeting other CI professionals that they agree with your point of view, who say, yeah, we've got to shake things up?

BT

Yeah, for the most part, it has been that way. Our first goal for this book was to just start conversations because there was this feeling that there's a lot of people in this industry who know things are not going the way they should, who know things are broken, who know we need to get better. It's just that no one has come forward and said this is what should be done. A lot of the books that are written for our industry are dealing with specific methodologies or techniques or certain areas of our business, like behavioural science. There really hasn't been a book that's been written about the industry as a whole. We want to get people thinking about how we can get better. Because just continuing to do what we're doing is not going to be healthy for our industry. We've become the greatest threat to our own survival.

SS

You talk about brand marketers just looking to check the market research box in the stage gate process. What explains this inclination to just go through the motions?

BT

We're saying to brand marketers that if we clean up our side of the street, you know what, there's some things on your side of the street that we need you to clean up too because we're always going to have to work together. They're wringing their hands because they can't get what they need from insights. They just see methods, they just see questionnaires, they just see surveys. And so they think, well, we can do that. It's a cultural shift that has to happen. We can only do so much if there is not a culture of consumer centricity throughout the entire company. Brand marketers need to take as much responsibility for the consumer as consumer insights do.

You do see great organizations where everyone is aligned, you have that culture, and they're killing it. All the way from their innovation, their new product development processes, down to their storytelling and their marketing, it runs throughout the organization. But then, like I said

earlier, you'd be stunned as to how many big brands are just trying to get by doing the bare minimum. And it's why you see a lot of innovation that fails. It's why you see a lot of ads that fail because they are clueless as to how to emotionally connect with consumers, partly because they may not want to work that hard to establish that emotional connection. But they're also not getting the insight that allows them to understand what actually is connecting consumers to their brand.

SS

I want to ask you about one of your signature aphorisms in the book, which is, "The what informs but the why transforms". Can you explain exactly what you mean by that?

BT

Sure. The greatest data in the world still only tells you what, it doesn't tell you why. And that's what market research has been doing for so long, is just informing people. In very few organizations has the market research actually been transformative. A lot of people think they want to be data driven. We hear that a lot: we're going to be a data driven organization: "We're going to dive into point of sale data, we're going to dive into panel data". And they lose sight of the people. There's a lot of brands out there that perform - there's just not a lot of brands that perform with purpose. And I think that's really where the magic is. And a really great example is all the static data that senior executives want: brand tracking, brand awareness, NPS, things like that, all of those are static numbers that just tell you what you know, there is no explanation as to why.

SS

It's just a snapshot in time.

BT

You're right. You can have an NPS score of 27 - okay, what does that mean? Why aren't you at 50? There's no explanation behind these numbers. And so companies don't know where to start to try to fix these problems. And so then they'll throw a survey out there and they'll find out that consumers will tell them 20 things that are wrong and then their heads are spinning, they don't even know where to start. Well, you're asking the wrong people, you're asking the wrong questions and you're going about it the wrong way, by just simply trying to throw stuff out there and explain static data that you have.

SS

Well, I guess to some extent it's because marketing research has this role of monitoring performance and effectiveness and those measures you mentioned are a way of doing that.

BT

A lot of people are just content with mediocrity is what I've come to learn over the years. They just want to keep their jobs. People don't want to rock the boat very much. Our sales are doing okay, we're getting our bonuses, I'm getting promoted. We can just kind of keep going the way it is. And I think that's really become true in the consumer insights industry because of all the cuts, and because of the way the industry has been marginalized slowly but surely over the last decade or so. We've got a lot of people who are afraid for their jobs, afraid to push back, afraid to say no. We've turned into order takers. They know they're being asked to do bad research, but they don't say anything about it. They just go on with it because they're like, well, they told me to do it, so I do it. Well, did you give them better options? Did you express concern? A lot of times the answer is no. They just kind of do it. And it's unfortunate.

SS

As you know there's this expression in research called "the last mile" which is the distance between the charts and the graphs and their conversion into actionable strategy. You argue that's what holds back CI from being seen as more than just a cost center. What can CI professionals do, though? They come out of school trained in methodology but not terribly well versed in business strategy, marketing strategy, customer strategy. How can CI professionals actually narrow that strategic deficit?

BT

Yeah, that's a great question. So I think the first thing is we as an industry have to develop much better business acumen. One of the biggest criticisms of our industry has been that we operate in silos. We do our research, and then we make recommendations that don't really take into consideration how it impacts the entire business. A lot of times what we do and what we recommend will affect new product development, it'll affect supply chain, it'll affect sales. And we are completely unfamiliar with those areas of the business.

So I think the first thing we have to do as an industry is to have better business acumen. We have to take that education into our own hands. Then once we learn how the entire business operates, we can start to recommend research that we should be doing that can be beneficial to a lot of different areas. When I got my MBA, the accounting professor told us, "Look, my job is not to turn you into

accountants and finance people, because that's not why you're here. My job is to make it so you don't look like an idiot when you're looking at a P&L statement or a balance sheet." We just need to learn enough where it helps us inform the rest of the business on some of the best ways to go about doing research.

SS

I think what organizations should be doing is having their strategists serve an apprenticeship in the research area. The outcome would be a much better marketer at the end of the day.

BT

I think it can be really beneficial to consumer insights to bring in people from different parts of the company because they're the end users. They can think more about the customer than they did before. Because, like I said, I think it's the entire company's responsibility to put the consumer first.

SS

In the book you say a lot of companies have turned research work over to the big consultancies.

BT

Oh, absolutely. Because what CEOs want are outcomes, and they want direction, and they want to be told the right things to do. And in many cases, they don't feel they're getting that from their consumer insights people. They're getting data, they're getting information - they're not getting outcomes and direction. And that's what the big consulting companies do for them - they deliver outcomes. And so, yeah, they're paying 10 times as much in many cases to do that. But it just shows how desperate senior executives are to get great insights and direction because they're willing to pay that much more to get it. And I think we could save companies so much money, and we could be even more effective than these bigger consulting giants if we're just doing our job the right way.

SS

Well, the consultancies can speak the language of the boardroom.

BT

And that's it. And that's where our lack of business acumen comes in. We don't understand what's going on at those levels.

SS

I want to move on to a provocative statement in your book when you talk about "gen pop sampling" being a sacred cow. You make the point that it's better to sample loyal customers. Why is that important?

BT

Gen pop sampling is one of those holdovers from our academic past because traditionally you wanted to represent the entire population. When you sample a general population, you get generalized data that is not very specific. But when you talk to people who really love your brand and are loyal to your brand and are invested in your success, you get very different data. In the book “Zag” Marty Neumeier says your brand is not what you say it is, it’s what they say. The key to every brand is to figure out who is the “they”.

When we were doing beverage research at Pepsi, we were talking to a lot of Coke drinkers, it turned out, who really didn’t care about us. But they were category users, so they were included in our sample. But it was amazing when we started talking to just people who drank Pepsi – the insight we got from them on what they want us to see from our brand that they love and want to support. And I think that’s true with any brand. There are very few instances I can think of where we need to do gen pop sampling anymore, especially when it comes to pure branded research. We need to talk to those who care about us and want us to succeed.

SS

The pushback you’ll hear from a traditional market researcher is that’s a skewed sample. And if you want to grow your category share, you need to understand the attitudes and usage of non-consumers of your product. What’s your answer to them?

BT

My answer is you do not understand brand marketing then, because the best brands don’t try to be all things to all people. The best brands have a target consumer that they go after. They’re not trying to market to the masses. We have to understand who our target consumer is, what are the conflicts that they are dealing with on a daily basis, how is our brand helping them overcome those conflicts? And how can we strengthen the emotional connection that we have with our brand?

SS

It’s that age old debate about market share versus share of heart.

BT

Let me give you an example from my from my appliance experience at Electrolux. Haier2 came in and bought GE. And like a couple of these other Chinese brands, they simply throw a lot of cash at retailers to get shelf space and lower prices just to grab market share. But then what? They’re not telling a unique story. They’re not really trying to build a brand. They’re just trying to see how much

money they can make and be able to show shareholders all the share gains they’ve made. Well, anybody can do that. And we’ve seen just in the last five or six years that GE has really taken a nosedive as a brand. It doesn’t mean anything anymore because they haven’t invested in the brand, they’ve only been investing in the business. And so it’s getting people out of that mindset, which is very difficult to do because again, if we think about the tenure of senior executives, especially CEOs, they’re only concerned about what’s going on while they’re there. Most CEOs don’t care about what happens after they leave: it’s just how can they maximize their own stock value. And then when they leave, who cares? That’s the next CEO’s job. And that’s unfortunate.

SS

You state in the book that without greater consumer empathy, companies are unlikely to experience long term success. What role can CI play in making companies more empathetic? And do they need to think of themselves now as change agents? That’s a lot to ask of CI pros.

BT

It is. But if we’re going to not only survive but thrive in this new business climate, that’s what we have to do. The way that we do that as an industry is by storytelling. We have to tell real stories about real consumers. When I was with PepsiCo and I was working with Dollar General, we had to really get at how could we help this particular consumer because we knew they were different. So I went and spent some time with Dollar General shoppers in what we called food deserts, where there aren’t big grocery stores close by. And what we found was in some cases really heartbreaking. We found people who told us that they are always a month behind on every single bill that they pay, otherwise they don’t eat. This month they paid the electric bill - last month they paid the gas bill. We heard tales about how people had to park their cars halfway through the month because they couldn’t afford gas anymore, and so they had to walk everywhere or bum rides from people. And so, you start to really feel empathy for these people. And then it’s not about how do we sell them something, it’s about how do we provide a solution for them, how do we help them?

And so when I went back and started telling those stories, it wasn’t about a generic consumer - it was about the Johnson family, it was about the Williams family. It was about these real people. And that’s what got the executives to say, okay, we should probably figure something out to help these people.

When we talk about the consumer collectively, that doesn't work to create empathy. Storytelling is about specific people, specific stories, where you really feel something for someone. That's when you start to develop this corporate empathy where you feel for these people and realize their job is to provide solutions that help them.

And here's the thing. It's great for business. Because when you create those emotional connections and people feel that you understand them and they feel that it's coming from a genuine, authentic place, my gosh, the loyalty goes through the roof and your business really grows because of it. But it may take a little longer than a quarter to make that happen. And that's where the impatience of corporate America gets in the way.

SS

The storytelling you've just described is dependent on the qual work – getting people to open up about the challenges they have in life. Is there a bias today toward quantitative over qualitative research?

BT

There is. We're focused too much on sample size and not on insights. But qualitative research now can be done quantitatively. At Quester we're one of the very first ones to do qualitative research at scale using a proprietary AI tool that we developed almost a decade ago before AI became a thing, where we can have conversational interactions with 500 consumers and get qualitative information, and then have AI help us analyze it using language patterns on the back end.

We just have to ask ourselves, what are we after? We're trying to identify conflict, we're trying to identify consumer need, and we're trying to figure out how we can best solve those problems and resolve those conflicts. And so, again, that's where we get so wrapped up in methodology that we're not focused on outcomes. What does this mean for our business and what do we do about it? And the best way to do that is through telling stories. We're after insight, we're after outcomes, we're after consumer understanding with the ultimate goal of having enough empathy to be able to create solutions for people.

SS

Just follow a Reddit thread in a group that's passionate about a specific subject area and a lot comes to life.

BT

I'm a huge proponent of that - tapping into the world's largest, most unstructured, unmoderated, unfiltered focus

group, which is cyberspace, and not Twitter, or X, and Instagram, but these long form groups where people are constantly talking about issues. We can measure beliefs and behaviours at any point in time, as you mentioned earlier, but do we understand the narratives that are driving that? Do we understand the cultural implications of these different groups that are driving the behaviours that we see? That's where the magic is. That's where you really get into consumer understanding. And that's when it gets really fun because not only do you start to be able to uncover narratives that are driving beliefs and behaviours, you're also able to see things before they actually develop into trends.

SS

There's gold in the attitudinal information that you've just been describing. Why do you think most organizations haven't done a very good job yet of integrating analysis of first party data with attitudinal data?

BT

I think we have a lot of specialists in our industry where people want to be specialized in methodologies or techniques or just a certain area of consumer insights. And while having that understanding is good, we need to have people who understand the bigger picture, who understand business, who are a little more source agnostic.

SS

You just referenced AI. What's your perspective on the use of synthetic data as a proxy or even as a substitute for direct to consumer research?

BT

I don't like that. And here's why: AI only pulls from what currently exists. AI cannot develop anything new. It can't develop anything transformative. There is no empathy and there's no emotion in AI at all. And AI collection methods have already become a commodity. Like everybody thinks AI is the new thing. Well, guess what, I just came from a conference a couple weeks ago where everybody's talking about an AI data collection tool they have. So it's a commodity now. It still comes down to how do you tell stories, how do you analyze, how do you put things together, how do you deliver outcomes? The way we gather information, that's not going to separate anyone. It's helping make things cheaper and more efficient, but it's not where the real insight is.

SS

You state that the need for traditional market research will fade over the next 10 years. Okay, but what replaces it?

BT

What replaces it is strategy and consulting. It's not that we won't be doing consumer insights or market research projects anymore, but if the agencies only focus on that, I don't think they will be around in 10 years. Or they'll struggle to survive because they're just project oriented. The need is not for more market research projects. It's for consulting, it's for partnership, it is for strategy.

¹ Stephan Gans is the Chief Insights and Analytics Officer at PepsiCo; Kate Schardt is the VP of Global Insights Capabilities and Partnerships.

² Haier is a Chinese multinational manufacturer of consumer electronics and home appliances which acquired GE Appliances.



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