

Customer first 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.

I began by asking Brett, a onetime sports broadcaster, what drew him to the world of consumer insight.

SS

Stephen Shaw (SS): You started a career in, in sports broadcasting. What drew you to the world of consumer insights? How did you get, get into this field of work?

BT

Brett Townsend (BT): Yeah, I think like most people who are in consumer insights or whatever, the road that we’ve taken to get there is a, is a little through back roads and not a direct route. So, I made the decision after a few years that I did not want to do broadcasting anymore. So that kind of started the process. And then I had a friend at the time who was working for Nielsen Media Research, the Nielsen TV ratings company. And given my broadcast experience and some things there, they were interested in hiring me for a role. And once I got there, I really got into the marketing part of it. There was a lot of consumer observation we did and interviewing we did in their homes about TV habits and things like that. So that started exposing me to qualitative

work, behavioural work, things that we were observing about TV watching that didn’t really just show up on the ratings as far as what they’re watching. So that was where it started. And then I think it just evolved through from that work in insights for a publishing company for a brief spell and then really got into the bigger world of consumer insights when I started at my first agency.

SS

Well, what’s interesting about this, and you’re not the first person that started their career in journalism and worked their way into marketing. My most recent podcast actually was a person who did exactly that as well, got into though the behavioural science as opposed to market research. But I would imagine the juxtaposition of those two professions is simply that success is driven by a strong sense of curiosity, of wanting to know why. Would you agree with that?

BT

Oh, absolutely. You know, when I speak at university quite often and I get students asking me a lot about career changes and doing this and doing that. And I said, look, I, and I would reveal to them that I started in broadcasting. I said, so there’s always things that you can take with you to other professions. I said, for instance, with broadcasting, I learned how to write and I learned how to tell stories. And those are two things that I still do to this day. But you’re right, though, just inherently I’m curious and inherently I challenge things and don’t mind bucking against established fact and looking into different things. And so, I think that definitely helped me when I was a broadcaster, when I was asking questions and being curious about why certain decisions were made by coaches and things like that. And then now it’s the same basic line of questioning, but it’s now with consumers as to questioning their behavior and why they do certain things there. So yeah, it was very natural and very, a much smoother transition I think than most people might have realized.

SS

And a substantive part of the book actually deals with this exact challenge of, and we’re going to get into that for sure a little later in this conversation. Now your career has spent 20 years, so you’ve been in this business a while now and you’ve worked for and with at this point many blue chip marketers who invest a ton in research. I’m curious why you feel the uh, research industry is at a crossroads at this point in time. What’s changed in that 20 year span to lead you to create this, what I would call, call to arms in this book?

BT

I think it isn't necessarily just now. I think we've had this issue for a number of years. I mean this book was based on a keynote address I gave in 2019 at an insights conference, and I saw it then. It just took me that long with my busy corporate jobs and other things to actually figure out, oh yeah, let's go ahead and write a book about this. So it's not necessarily a new problem, but I think what happened is, what's happened over the years is that business has become more demanding, it's become quicker. The need for real insights has changed in just the way that people look at insights has changed a lot since, you know, we talk about this in the book definitely from our academic and clinical start, but even just to when I got into the business 25, you know, 20 years ago, ish, or something like that. It's the demands for speed, for accuracy are there. The demand for experts are there. The demand for, you know, making strong decisions are there. And what happened is that 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 data and 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 and everything there. 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. I mean people are okay with 80%, because we, I don't, I think 100% surety is, will never be achieved in anything really, but especially in this.

And so I think the demands for what is needed from our industry has evolved over the years, but we as an industry have not evolved. And so we're at this point now where people want things from us as an industry that we're not delivering. And so there's a lot of frustration and then there's a lot of, well, what does insights even do for me then? And then you see, when economic troubles happen, then market research and consumer insights gets cut because the value hasn't been established, where companies feel they can live without it.

And so it's this, we're really on this. And 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 we're, it's either we've got to re-

establish our value or we have to, or we're going to fade, you know, we're going to fade into the background and just be order takers for the rest of our existence.

SS

That's just crazy. When you think about marketers, I mean, the oxygen they breathe should be the needs of customers. And how are they going to discover those needs without research? We're going to get into that as well. So according to, and this may echo some of what you've just said. According to some reports I've read, brand spending on traditional market research has been in decline for a number of years. And I expect, for the reasons that you've been describing. Is it a case that brand marketers have lost faith in that traditional consumer research, or that they don't see the requirement to really dig deep into consumer behaviour as much as perhaps they might have 20 years ago?

BT

I think it's a combination of a number of things. One, I think that we're not delivering what they need where they, like you said, they are losing confidence in us. And so why fund? Why continue to fund something that you don't feel is working for you? And so I think over the years they've realized, okay, we need more from our consumer insights. And if we're not getting it, we're going to, you know, we're just going to not use them or just cut or something like that. So I think that's part of it.

I also think there are, you know, market research has been around for a long time. There's enough people out there who use this term about where they know enough to be dangerous and so they feel that they can do it on their own. Like they just, you know, there's a lot of marketing people who think, well, I can put a survey out there, I can do basically what my insights department are doing because they're not seeing much more than commoditized services and methodologies and stuff. And so they're like, why do I need to pay someone to do that when I can do that?

The problem is that they know enough to be dangerous. And they are dangerous because in my experience a lot of marketing people who take control of insights are doing it for very self, you know, self-serving reasons where they have an agenda they want to push and they want the insights to help back their agenda and they're not looking at things the way that they should be or they're not really taking the consumer into account. It's all just about what, what do they want to

push forward. And you can bend data and you can mess with questionnaires to basically say whatever you want it to say and you can have a lot of confirmation bias on a lot of things.

So I think that's part of it but, but honestly it's because they're not getting what they need from us. And with AI and with all these, their self-service tools, DIY tools and things out there, you can do a lot of the basic commoditized methodologies and surveys and stuff without the need of a consumer insights department if that's what you feel consumer insights is all they do for you.

The companies that are really winning right now and the marketing departments and the senior executives who really have great insights people realize that they're there for more than just doing methodologies, that they, you know, offload that to AI, offload that to agencies. And the really great consumer insights professionals are the ones that are doing consumer-centric cultures that are really asking the why, that are making emotional connections with consumers, and really explaining things that are helping the businesses make money, and pushing them forward into areas that they didn't think they could go into. 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 you would entrust a multi-million dollar product launch on a Survey Monkey template, but I guess people do.

BT

You'd be, I think people would be stunned how many large multinational brands make multi-million dollar decisions to your point, based on a simple survey. Yeah. It's shocking.

SS

Well, and which brings me to Pepsi. So you worked there for, I think, almost a decade, if I'm not mistaken.

BT

Yep, nine years, yep.

SS

And you've probably read yourself recently, the chief consumer insights officer there was quoted as saying, and I'll quote her, "While the organization had access to a wealth of consumer insights, we were not driving competitive advantage for our company. " Now that's Pepsi. That's a pretty stunning indictment when you consider how much Pepsi probably spends on consumer research. I mean, that right there is distillation of everything you've just said about the state of the industry when the person heading up

consumer insights is saying, yeah, we're not delivering value here, that's pretty stunning.

BT

Yeah, it was. And I just finished reading a book that the top two Pepsi insights people wrote with some people from Zappi, called the Consumer Insights Revolution. And I just actually recorded a podcast with Ryan Barry, who's one of the authors of that book. And so it was very interesting to talk and we, we talked about both of our books on that podcast.

But yeah, just having been inside at 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 kind of like, well, I want to do this and I think we need to be doing this. And what Stephan did and Kate Schardt1, I think that's who you were quoting is they looked at it and said, you know, how can we make this more efficient? How can we take everything that we've learned and digitize it and make it so it is available to everyone? So we're still doing great insights work. We're just not replicating it or we're not, you know, just reinventing the wheel over and over again. And somebody in the Europe sector, for instance, can look at something that was done in the U.S. or in Latin America and replicate a lot of that and have it be very easily accessible.

And so it was just, they came to the realization that they needed to have their insights work harder for them than it was. And what's interesting is that they ended up getting their budgets increased even though they were decreasing costs and being more effective, is that people started to see the impact and they were like, we're going to give you more because you've shown us that this can be very impactful when done the right way. And it's not as if they just went all in with one supplier. You know, Zappi helped them digitize and organize, but, you know, people throughout the company still use other vendors that they want, but now it's just available to everyone. It's democratized, it's organized, and it's allowed them to be more effective.

But to your point, I mean, there's a lot of key insights leaders at big companies that are coming to that realization and realize we have to make a change if we're going to not only stay relevant, but to keep helping our companies move forward and progress and 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

So the message you're delivering in this book is pretty provocative, and I think you use the term "hard truths". Do you find when you're meeting other CI professionals that they agree with your point of view, that there is an acceptance that, yeah, we've got to change things?

BT

Yeah, for the most part, it has been that way. You know, there have been a few people who, you know, may not like some of the things that we've suggested, and which is fine because our first goal for this book was to just start conversations because there's this, there was this feeling that there's a lot of people in this industry that know things are not going the way they should, they know things are kind of broken, they know we need to evolve or get better. It's just that no one has really kind of come forward and said this is what should be done. You know, 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. And that was where we were coming from.

And so it said, you know what, we're going to put a voice to this. We want to start conversations. 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. And like I said in the book, it's, you know, we've become the greatest threat to our own survival. You know, we should have no natural predators because of the work we should be doing. But since we're not doing that work, we're our own biggest threat.

SS

Yeah, you're not inside the strategic circle of most companies. You're viewed as a supplier to the people who actually do the strategies, how I'm reading that. But here's a curious thing though, because you talk about this in the book. The responsibility for this doesn't lie entirely on the shoulders of market research, albeit they have moved fairly slowly like mastodons. But on the brand marketing side, people wring their hands over the state of brand marketing too, that they're focused on the bottom of the funnel and research is really devoted to the top of the funnel. Let's face it, you know, it's as needs or it's identifying needs as opposed to trying to close the sale. So there's that.

There is the fact that the training grounds for brand marketers frankly have disappeared. Like you don't see the big, packaged goods companies really serving as schools anymore for, for brand marketing. I've talked to lots of brand marketers who, who agree with that. And you talk about the research sponsors just looking to check the market research box in the stage gate process, that they just want to get past that because that's what they have to do. You think they'd want to mitigate the risk more than that. What explains that detachment and do you agree that, you know, some of this responsibility lies on the shoulders of the state of brand marketing these days?

BT

Yeah, it sure does. In the last book of the chapter, we, it's written towards senior executives, to your point. And basically we say, you know, the whole rest of this book has been written for the consumer insights industry because we got a lot we got to fix. We get that. But this has been and always will be a partnership. And 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.

So I think like you said, this is not something that happened overnight. This is something that has been happening over the course of the last 10 to 20 years where 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. And then it turns into more of just like I mentioned earlier, it's just, it's self-serving. It doesn't really help things. And brand marketers get focused on things that are more important to them, than the whole company or ad agencies are trying to win awards rather than actually sell product and tell stories. And so it's something that has fed off of itself for a very long time.

And it, and it's a cultural shift that has to happen where we have to, there has to be a culture of consumer centricity within companies, you know, and it has to start at the top. As much as anything that we do as a consumer insights industry, we can only do so much if there is not a culture of consumer centricity throughout the entire company. And it's something where, you know, brand marketers need to take as much responsibility for the consumer as consumer insights do. It's not just that department's job to do that.

Understanding that it's about the best marketing is not about, you know, what part of the funnel. It's about creating emotional connections and telling stories and getting people to, and understanding their conflict and telling them how you're going to help them overcome that conflict for them. And it's very simple in its basics. But yet again, we just, it's become so convoluted in so many competing agendas and different ways of thinking that we've lost sight, I think, over the course of the last decade or so about what we really should be doing.

And again, you 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, you know, and it runs throughout the organization. But then, like I said earlier, you'd be stunned as to how many big brands that everybody knows are just trying to get by doing the bare minimum.

And it's why you see a lot of the innovation that fails. It's why you see a lot of ads that fail is because they just are kind of clueless to really 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. And so it's, it's always going to be this partnership that has to exist.

SS

It's interesting because in the book, I mean, you do admit that the market research has to some extent, you reference, you know, new products, 80% of new products fail, which is a shared responsibility, as you're pointing out, which would, you would think brand marketers would be more interested in fixing the issue. So I want to move into a discussion of one of your signature aphorisms, if I may put it that way, which is, the "what informs but the why transforms". Can you build on that, elaborate exactly what you mean by that phrase?

BT

Sure. The greatest data in the world will still only tell you what is going on. And it's a great place to start. You know, like, I use data analytics and things to really help us understand what is going on, what's the landscape, what are some of the things that we need to be focused on when we dive into this problem that we're trying to solve. But it still only tells you what, it doesn't tell you why. And so we can inform people. 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 transformed organizations. But when it happens, it's amazing and what it does for people.

And so I think it's getting us out of this, a lot of people think it has to be one or the other. You know, we want to be data driven. We hear that a lot. You know, we're going to be a data driven organization. And so they take that to mean, we're going to get really into analytics and we're going to dive into point of sale data, we're going to dive into panel data. And it's really data, data driven. And they lose sight of the people the data is about, which is the actual consumer, and the whys and again the emotion and the things that are going on there.

And so, but that is data also. The why is data, but it's transformative data and it lets you know your purpose. You know, there's a lot of brands out there that perform. There's not a lot of brands that perform with purpose. And I think that is, that's really where the magic is. And a really great example is all the static data that senior executives want. You know, 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 point in time data too.

BT

It's point in time data, you're right. And so, but even if you track it over time, you know, you can have an NPS score of 27. Okay, what does that mean? You know, why aren't you, why aren't you at 50? You know, why aren't you at negative 25, you know? 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 people, you know, consumers will tell them 20 things that are wrong and then their heads are spinning is like, we 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.

So again, it's kind of that shift into, you know, and then it goes into AI also. You know, the AI can give us all of what, and market research professionals who feel that their jobs are to be methodologists or to be of data analysts, AI is probably going to take your job, you know, if that's what you think it is, because now we can have AI do that. But

what the beauty of it is, is that a, by using those, you know, using AI to free that stuff up, it frees us up to get into the why, to make the consumer connections, to be strategists, you know, to be sources of competitive advantage within our companies, to do the real work of consumer insights, not the busy methodological work that, you know, anybody can do, including AI.

SS

Well, I guess to some extent it's, it's because marketing research to some extent has this role of monitoring performance and effectiveness and those measures you mentioned are a way of doing that. But it's funny you make a point about NPS, because I love it when brand managers are quite content with a, and a low NPS. But yeah, but the competitor is not doing any better. So we're fine in the category, you know, no ambition to stretch that to the level of Apple and others, right who top the list. It's very strange.

BT

A lot of people are just content with mediocrity was what I've kind of come to learn over the years. It's like they want to keep their jobs. People don't want to row the boat or rock the boat very much. It's like, you know, 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 we're losing a lot of the people that are really trying to achieve excellence and really trying to drive forward, which, you know, again is unfortunate.

And I think that's really become true in the consumer insights industry is that, 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. There, we've kind of turned into yes men and yes women, where we just kind of take orders and move on. It's like, that's not helping.

And you think you're helping, but you're really not, because you're doing research, which many, as we talk to people, 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. I'm like, well, did you tell them? Did you give them better options? Did you express concern? Did you do all that? A lot of times the answer is no. They just kind of do it. And it's unfortunate.

SS

Well, brand tracking studies are an example of that kind of thinking. So there's this expression in research, obviously you're familiar with it, called "the last mile". And it's that gap between - this is exactly what you're talking about. This gap between the charts, and the graphs, and all the data. Then there's the actual insights that you may actually derive from all of that. And then turning that into actionable strategy. You argue that's what holds back CI from being valued as more than just the cost center.

What can CI professionals do, though? I mean, they're not - they come out of training grounds well versed in methodology. You know, well versed in what confidence intervals are, but not terribly well versed in business strategy, marketing strategy, customer strategy. So how can CI professionals actually narrow that strategic deficit and make a strategic contribution when they're probably not feeling that comfortable in their own ability to deliver strategy?

BT

Yeah, that's a great question. And that's - and we focus a lot on that. 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 sometimes don't really take into consideration how those recommendations would impact the entire business. And so we have people, like, 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 learn business better and to have better business acumen, to understand supply chain accounting, sales, product development and learn that. And that's something we have to do on our own. We, as to your point earlier, we can't rely on big companies to be the training ground for that anymore. We have to take that education into our own hands, and we have to learn that stuff on our own. Whether it's getting an MBA is a great start or just spending time learning about those different areas of the business.

Then what starts to happen is that once we learn how the entire business operates, then we can start to say, well, because I know about all these different things going on, I can recommend research then that we should be doing that can be beneficial to a lot of different areas. A lot of people

want to do research, want us to do research for them for little pet projects, and we say, okay, well, we'll go ahead and do that for you. But if we understand the business, we can look at that person and say, you know what? This is not the best use of our resources because it doesn't really fit what we're doing as a company. Can I suggest this instead? You know, it's always a no, but, you know, let's try it. Let's try it this way.

And so I, I think if we just did that, there's probably a lot of things in there, and we talk about a number of things that we can do in the book, but I think just becoming smarter about our businesses and what we do. You know, it was really interesting when I was, when I got my MBA, our, the accounting professor that taught both of the accounting classes that we had, he said, 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 and L statement or a balance sheet and you don't know what you're talking about. And so, and I think that's really what it is, is that we don't need to become financial experts, supply chain experts, things like that. 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 things.

SS

It's almost as though what you, or organizations, should be doing is rotating their strategists and having them serve an apprenticeship in the research area so that they actually learn properly the methodologies, but can blend that with their own understanding of what the strategic drivers are. And the outcome of that is a much better marketer at the end of the day. [29.56]

BT

Well, that's one of the things we argue in the chapter in the book about talent is where we find our talent is, and this is something that I've done, is that 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 of consumer insights. And so if they come in and they say, these are the things that you do that have been very helpful, these are the things that we wished we could have got more from you on. They're helping us, and we're not just helping them. And so they make us better because they force us to deliver better results and better things to our own internal partners.

And then to your point, in addition to everything you said about how it makes them better, it also gives them a base and a foundation of consumer understanding that they take with them to every other part of their business, and now think more about the consumer or think more about the customer than they did before. Because, like I said, I think it's the entire company's responsibility to be concerned about the consumer and put the consumer first. And it's hard in a lot of area, other areas of the business to do that. But the more people we have coming into consumer insights, working with us for a little bit, they help us, we help them. Then they go back out into these other areas of business, and now they're helping spread this consumer centricity that we really hope for.

SS

Yeah, that seeding is a really good idea. But I think you reference in the book, if I'm not mistaken, that a lot of companies have defaulted to turning research work over to the big consultancies because in the end, that's what they can do just natively - is that what you're seeing is that companies are moving business or diverting business away from traditional research agencies and parking with the 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, the big consulting companies do for them, you know, Bain and BCG and McKinsey is that they deliver outcomes. And what's funny is that they go to market research companies to do the market research for them, and then they take that work, and they package it into what we should be doing anyway for them. And so, yeah, and they're paying for 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 out of their own budgets 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. And that's what, that's kind of the focus of the whole book.

SS

Well, the consultancies can speak the language of the boardroom, I guess, and that's, that's why they resonate.

BT

And that's it. And that's where our lack of business acumen comes in, is that we don't understand what's going on on those levels. And we need to in, or if we're going to speak that language and if we're going to help them realize the value we can bring and then bring that value to them.

SS

Yeah. Well, there's the other expression you like to use is the, "so what? And the now what?". Right? That's, those are the questions that they're answering for the boardroom. I want to jump into provocative statement in your book, which I just loved because I had recent encounter with this exact issue.

You talk about gen pop sampling being a sacred cow. I highlighted this and distributed it within my own agency. When I read it, I thought, you got to read this. This is so true. And you make the point that it's better to sample loyal customers. Yeah. But can you explain that to the general population and audience listening here, why that is important.

BT

I think gen pop sampling is, again, one of those holdovers from our academic past. And that's always the way things have done, because traditionally, you wanted to represent the entire population. And what you did, because we didn't see the personalization and the specialization that we see now in the marketplace. Things in the 40's and 50's and 60's were much more generally marketed to a larger audience than all of the brands that we have now. And so, we have to find an audience. We have to find things. And so it's forcing us to do that.

And so when you sample general population, you get general data that is not very specific, and it's not very, it's not at all predictive, and it doesn't give you great direction. And so when you talk to people who really love your brand or are loyal to your brand and are invested in your success, then you get very different data. You know, I quote this in the book, but it's one of my favourite lines of any book I've ever read from the book *Zag* by Marty Neumeier, where he says, "It's like your brand is not what you say it is. It's what they say it is." And we're not talking to them, we're talking to like everyone but we. But the key to every brand is to figure out who is your they. You know, who are those people who really want you to succeed. And talk to them because they'll help you.

The example that you referenced in the book is that 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're aware of the category, they use the category, and they knew our brands and so they somehow got into the sampling that we did. But it was amazing when we started talking to just people who drank Pepsi and our brands. The difference of the data of the exact same questions and the insight we got from them on what they would want us to see from our brand that they love and that they're invested in and that they 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 and then that's how it's going to work.

SS

And I obviously completely agree with you. But the pushback you'll hear though from a traditional market researcher is yeah, but it's a skewed sample. And if you want to grow in the category, you really need to understand the attitudes and usage of non-consumers or non-customers of your product. What's your answer to them?

BT

My answer is you do not understand brand marketing then, because the best, I would say it a lot more diplomatically of course, but basically the best brands don't try to be all things to all people. You know, if you do that then you end up being nothing to no one. You don't stand for anything. And the best brands have a target consumer that they go after, a target audience. And so, if you still think that you're trying to market to the masses, then you didn't, you must have fell asleep during marketing school because that's not what they're being taught.

And so, and in consumer insights we need to look at that the same way. It's like we have to understand who is our target consumer, what are the conflicts that they are dealing with on a daily basis, how is our brand helping them overcome those conflicts? And what are those insights we can learn that help strengthen the emotional connection that we have with our brand? And then when we start telling that story to everyone, then maybe some people on the fringes will learn more about us than if we just talk in general terms. But I mean, I would just say it's a lack of understanding of how marketing really works and really what works with consumers, if people try to insist that we need to market to a very large audience, because in most cases you don't.

SS

It's that age old debate about, I guess, market share versus share of heart. If market share is what an organization will pivot around, then they'll tend to default to that issue of expanding number of category users. There's a, basically a religious debate going on in the industry around this exact subject, as you probably know.

BT

Well and market share, I think you can, it's a lot of things that people do to get market share is easily replicable. So let me give you an example from my, from my appliance experience at Electrolux is that there were a couple of brands, you know, Haier² came in and bought GE and there have been a couple of these other Chinese brands that have come in and they simply throw a lot of cash at these retailers to get shelf space, they lower prices to grab market share. But then what? You know, I mean all of that is easily duplicated. 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 just be able to show, shareholders, oh look at this, all this share gains we've made.

Well, that anybody can do that. So the, and that's a very short term solution. And we've seen just in the last five or six years that that Haier has owned GE. GE is, has really kind of taken a nosedive as a brand because nobody's investing in the GE brand that's been around in this country for over 100 years and actually meant something at some point. It doesn't mean anything anymore because they haven't invested in the brand, they've only been investing in the business. And I think that's kind of the issue is that companies get so enamoured with quarterly results and having to talk to Wall Street and things and talking about consumer centricity doesn't really ever move the needle in their mind. But it does.

But what moves the needle are, we can report about this.

Well yeah, but all of your competitors can do the exact same thing you're doing. You're not doing anything unique. 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 CEO's don't care about what happens after they leave. It's just how can they maximize their own stock value? And how can they be seen as raising the value of the company? And then when they leave, who cares? That's the next CEO's job. And that's unfortunate.

SS

It is. And it's unfortunate is right. And it's the financialization of decision making that's occurred over the past 30 or 40 years. Short-termism being...

BT

Yep, short-termism is the key.

SS

...is the virus. So, which brings me to the next topic, which is that you state in the book that in the absence of consumer empathy, companies are unlikely to experience long term success. Completely agree with you. However, as we've just been discussing, most brands today are certainly more product centric than customer centric. What role can CI play in making companies more empathetic? Are, do they need to think of themselves now as change agents? I know this goes back up to some of the topics we were talking about before, but it's almost as though the research community has to embrace as a mission the idea of transformative change, toward thinking about the customer first and being empathetic and presumably being able to put out the argument that this is going to be financially worthwhile for the company. 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. You know, we have to talk about the fact that, you know, look at the brands that the admirable brands out there, they have invested in the brand. They have not tried to just chase quarterly results, but they've invested in their brand. They have grown their brand over years and it's to the point where they are now the behemoths that they are.

But see, even though you have a great brand and you've spent a lot of time building your brand, doesn't mean you're not susceptible to things. I mean, Nike's recent issues with their go to market system, which blew up in their face, they just thought, oh yeah, because we have this great brand, we can do whatever we want. And they didn't even bother to look to see if the consumer would go along with them. And it turns out that they said, and the consumer said, absolutely not, we're not going to do this. You know, and I think companies don't understand that changing consumer behaviour is the hardest thing to do. Because we establish these neural pathways where we get set in these in these rituals and these buying patterns, and we buy the same brands and the same products over and over again, unless there is something that really jolts us out of that, and that's what brands are being

asked to do, is how do you jolt the consumer? Well, you don't do it through a "buy one, get one", or some LTO or some seasonal thing, or just lowering the price on something for a month. That's not going to do it.

And so, back to your earlier point is, the way that we do that as an industry is by storytelling. You know, we have to go in there and tell real stories about real consumers. So the greatest example of this for me was, when I was with PepsiCo and I was working in the dollar channel, specifically with Dollar General. And we were trying to, you know, the business was going fine and growing, but 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 some of these people that were mostly Dollar General shoppers in what we called food deserts, where there aren't big grocery stores close by or things like that. And what we found was in, in some cases, really heartbreaking. We found people that, who told us that, well, we are always a month behind on every single bill that we pay, because we can't pay every single bill every month, otherwise we don't eat. So this month we paid the electric bill. Last month we paid the gas bill. You know, things like that. And so it's making those decisions of, do I, do I pay my bills or do I eat? 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.

SS

How do we help them?

BT

How do we help them? And so, when I went back and started telling those stories, it wasn't about the generic consumer as a group. It was about the Johnson family, it was about the Williams family. It was about these real people with pictures and with stories. And that's what got the people and the executives to say, oh, wow, okay, we could probably figure something out to help these people.

So we talk about the consumer collectively, and that doesn't work to create empathy. You know, storytelling is about specific people, specific stories, where you really feel something for someone. And then you do that over and over again. And then that's when you start to develop this corporate empathy where people start to feel for these people

and realize their job is not just to churn stuff out, but to provide solutions that help people. And once you get to that point, wow, then you're really churning.

And here's the thing. It's great for business. A lot of people think that if you invest in this and go that route, that, well, the business is going to suffer. It is the exact opposite, 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, from your brand. My gosh, the loyalty goes through the roof and people and your business really grows because of it. But it just, it may take a little longer than a quarter to make that happen. And that's where the impatience of corporate America sometimes comes in.

SS

So I, I so love what you say. And I mentioned earlier, I point to some of the studies we do, and you know, you've got all this great data to work with. We have behavioural data that we match that attitudinal data. All kinds of insights spill right off the page as a result of that. But the fun of it is, in my case, reading the open text comments - we have a very active customer population are more than happy to tell you what they think. So, it's fun because it brings those numbers to light.

Which takes me right to a question I had here about a pendulum swing in market. I just want to see if this is what you've observed, is this favouritism for quant data as opposed to qual data? Qual data takes long, time, people are suspect about focus groups and whether that's skewed or not. And the ratio I've heard now is 75%/ 25% in favour of quant over qual. But the storytelling that you've just described is really kind of dependent on the qual work that you have to do to find those stories to discover and get people talking about the challenges and so on that they have in life. Is that your observation, is that there's this bias now toward quant over qual?

BT

There is. And that, you know, it's kind of a difficult thing to unpack because I feel like the reason why there's that emphasis is that we've embedded that within our constituents. We've somehow, we have educated them over the last 20 or 30 years or even longer, that large sample sizes equal certainty. And so now people just say, well, we gotta have 500 people, we gotta have a thousand people for us to be sure of this. When all they're really looking is data, they're not really trying to find insight.

I mean, some of the best work I have ever done was qualitative in nature. And it took a while to convince people that we can make decisions on qualitative data because, again, we're focused too much on sample size and not on insights. You know, I, I would be, I'm suspect of focus groups, and I, I don't blame anybody who is, because I think they're largely ineffective and that they're used the wrong way in most cases.

But qualitative research now can be done quantitatively. So, you know, just a pitch for, you know, one of the things we do at Quester is that we're, and I know we're not the only ones, but we're one of the very first ones to do qualitative research at scale using a proprietary AI thing that we developed almost a decade ago, before AI became a thing, that it actually is, where we can have conversational interactions with 500 consumers and get qualitative information, and then have AI help us analyze it using language patterns and things like that on the back end, but most importantly with human linguists that can put stories together.

But I guess the point is that there are still ways that we can get qualitative research at scale. But even then it's not necessary to do that because 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 those needs and resolve those conflicts.

And so, again, that's where we get so wrapped up in methodology that we're not focused on outcomes. And when I would go in and just talk about insight, outcomes and stories, I rarely got questioned about methodology because, again, the CEO doesn't care how you get the information. For the most part. He or she only cares about, what does this mean for our business and what do we go do about it? And the best way to do that is through telling stories. And you can tell stories through quant data. But we'll, we will argue till we're no longer on this earth: We need both. We need quant and we need qual. They need to live together. And it's not, we shouldn't be in one camp or the other.

And it's realizing what we're after. 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. That, and hopefully it forces us to become more source agnostic too about that, I mean, there's so many ways that we can get great insight, and we don't

need surveys. But, you know, our industry sometimes think that we can't go get insight unless we're asking the questions. And you know, that's not true.

SS

Just follow a Reddit thread in a group that's passionate about a specific subject area and a lot comes to life. You referenced that actually in the book using communities as a source of storytelling.

BT

I'm a huge proponent in that. And we do a big social. We do big social narratives work at Quester. And there's some other groups that I know that kind of buy into the same concept of cultural communities and 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.

And you want to, you know, 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 you, not only do you start to be able to uncover narratives that are driving beliefs and behaviours, but you're also able to see things before they actually develop into trends where people start to talk about it. And we see this a lot where we start to find we can pinpoint something and say that's not really a trend yet, but we can tell based on how it's being discussed in these different forums and not just isolated in specialty groups or niche groups. This is going to become something. And so that's how, those are some of the things that we tell our clients and say, hey, you ought to jump on this because it's not a trend yet, but it will be in about a year. So that's what makes it fun.

SS

Well, and you talk about this should be a golden era of insight to integrate these sources. Which brings me to another question, which, you know, my background's database marketing and customer analysis and so on. And I've always seen this terrible gulf between the market researchers who have always been skeptical of first party data and the knowledge that you can wring out of that, to all the points that we were talking about earlier. And yet, you know, from

a data analyst standpoint, 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 bringing those two camps together? And to say, this gives us a holistic view of the behaviour and of the why. Do you think, is it just that people are stuck on their own methodologies as we've been talking about?

BT

God, there's so many reasons why I think, yes, that is one of them. People are just stuck in routine, stuck in tradition, stuck in the ways that they've always done things. That's part of it. One of it, a lot of it I think too is ignorance. They just don't know a lot of the new ways that we can go out there and do things. There's a lot of biases around certain things where people think they know, but they don't. Or maybe they had a bad experience with an agency that did a bad job, whereas, you know, does it, and so it just kind of taints the whole rest of everything that, that surrounds that.

I think there's laziness too, that's involved. People just don't want to have to deal with it and don't want to. Yeah, there's so many reasons why that happens. And it just takes one person, one courageous person to stand up and say we need to change the way that we're going to do things. And I mentioned, I was talking to a president of a smaller company and he's like, we're not getting what we need from our insights people. We've tried. And I said, well, maybe it's time you get new insights people, you know, I mean, because there are people out there that do amazing work in this area that really understand this. And if you're not getting what you need, make clear what you need, number one. And then number two, maybe go get people who will do it for you, because there's enough out there who will.

But it's this, and the other thing too is 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 I think while having that understanding is good, we need to have people that understand bigger picture, who understand business, who are a little more source agnostic, who agree with, you know, things like behavioural science and neuroscience and things and how they contribute, but they're not solely focused on only that where it's used as a piece of the puzzle that we're all trying to put together.

SS

You need T-shaped people, for sure.

BT

Oh my goodness, absolutely.

SS

In fact, that's an answer to your dilemma within the research community is the, is the lack of elevation of the work is because you need more T-shaped people, as you were talking about. We don't have much time left and I want to slip a couple of more questions in if you don't mind. You 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

Um, I've not worked with a ton of that. Maybe just so I make sure we're on the same page. When you say synthetic data, do you mean like, what are you talking about?

SS

Instead of asking consumers directly what they think, you actually use generative AI to answer.

BT

Oh, I see. Got it. I don't like that. And here's why. It's because 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 was like the Internet back in the mid-90's. Everybody thought that was the big boogeyman for our industry and, oh, it's going to destroy our industry. Well, no, all we did was take all the telephone and mall intercept interviews and paper interviews, and it just moved it online. It's all we did. And it made things cheaper and more efficient, which is kind of what AI is doing. It's helping make things cheaper and more efficient, but it's not where the real insight is.

And so there will never be anything in my mind that replaces real human interaction and contact. You know, it's like Jim Stengel, I quoted this in the book, who was the former CMO at Procter and Gamble. He's like, if you want to know how a lion hunts, go to the jungle, don't go to the zoo. You know, get out, get away from your desks. Get, get out from behind your computer screens and go figure out what's going on with consumers and develop that type of understanding.

SS

Final question. And maybe this ties into what we've just been talking about - you state that the need for traditional market research will fade over the next 10 years. You're quite categorical about this. You mentioned at the very top of this conversation, my question is, okay, but what replaces it?

BT

Yeah, what replaces it is strategy and consulting. It's not that we won't be doing consumer insights or market research projects anymore, but what happens is that the agencies that only focus on that, I don't think will be around in 10 years or will struggle to survive because they're just project oriented. And the conversations that we have, and having been on the client side for, in the corporate side for 16 or so years, I know what conversations are happening in those boardrooms because I've been in those conversations. And the need is not for more market research projects. It's for consulting, it's for partnership, it is for strategy. And, you know, and that's what we do at Quester. That's what a number of other agencies are kind of moving in that direction is the insights work we do is to inform a broader strategy that we're working on. That's not the end goal. And so, I think there's, that's part of that evolution is that we need to provide more of what is being looked for. And that is strategy consulting, not projects.

SS

A good note to end on, Brett. I have had a ton of fun in this conversation.

BT

Me too. Me too. Thank you.

SS

Right to my heart, I'm just thinking, yeah, this guy really gets it.

BT

Well, and I think what you're illustrating is that there's a lot of people that we've heard from, like you, who just who, when they read the book, they're like, yes, this is. This speaks to me. I agree with this. This is what we ought to be doing. It's just, I think we needed somebody to just say it publicly, you know? And just get it out there and again, start the conversation. Not that everything we write in the book we think is 100% - the only way to do it, but it starts the conversations and we're having those conversations, and that's what makes it exciting.

SS

Yeah, that makes it tremendously exciting. So congrats. It's overdue. And I'm just shocked that somebody hasn't come along before now and created this, written this call to arms. So nice job and thank you so much for the conversation today, as I said.

BT

Thanks so much for having me. I really enjoyed the conversation with you. Thank you.

That concludes my interview with Brett Townsend. As we learned, the traditional market research industry is facing an existential crisis: either it becomes more agile and less caught up in the science behind the research, or it faces the genuine peril of fading into irrelevance. Marketers today are impatient and distracted. They have no time – or even the attention span – to wade through a statistical compendium of consumer data. They don't want answers back in months – even weeks - they want it back in days. But what they really want more than anything is the answer to the “so what” question – the meaning and implications behind the findings - the underlying reasons behind how people behave, think and feel as they do. To convey that knowledge as impactfully as possible consumer insights professionals need to become expert storytellers – because marketers, more than anyone, can appreciate a good story that brings the data to life.

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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