Spring **2012**

GreenBook
Research Industry Trends Report

GRIT

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www.GreenBookBlog.org/GRIT

top GRIT 50
INNOVATIVE FIRMS

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GRIT Report – Spring 2012

Interactive Online Dashboard:
www.GRIT2012dashboard.com
(complete set of Spring 2012 GRIT data)

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GRIT

Technology. Research. Culture.

We're inspired by the possibilities of online qualitative research. From in-depth discussions, mobile, diaries, video journaling and ethnographies, online chats, large community panels and more, we've innovated around new online approaches to discover the nature of consumers and their brand stories. Our goal? Not just relevant insights, but clearer, more honest results that lead to smarter business decisions and more meaningful products and experiences for your consumers.

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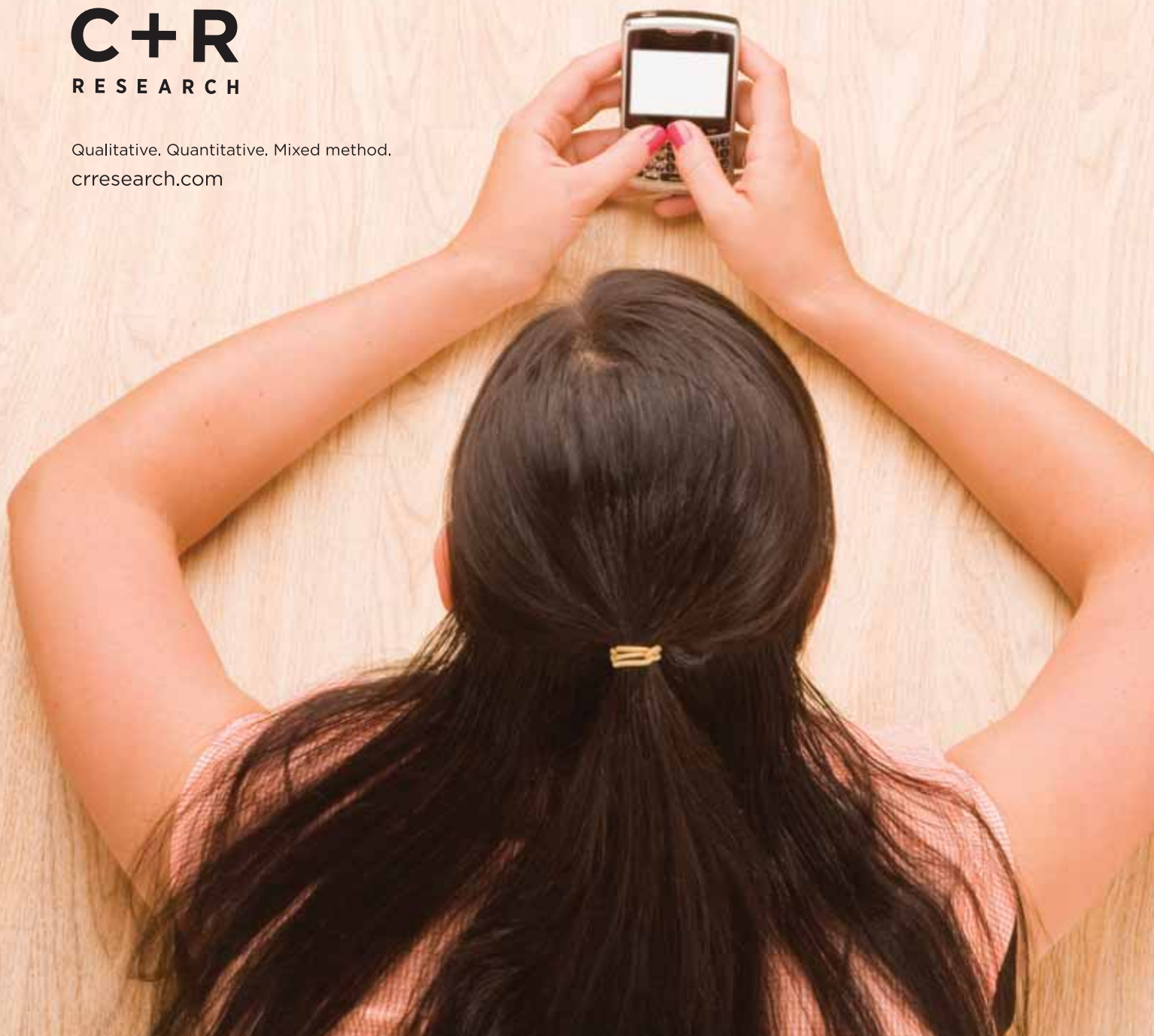
Introduction

Welcome to the 11th edition of the **GreenBook Research Industry Trends Report** with findings from a data collection phase conducted in December of 2011.

The bottom line of the past few reports has been *market research is changing.* In this edition our findings go farther: Yes, market research is still changing but at this point *the change has been acknowledged by the majority and embraced by many.*

We ask ourselves: What will our industry look like in five years? Will we even recognize it as market research? Who will be the change agents, and what new players will we be competing against? We can't really answer such questions (yet) but we do get tantalizing hints in the results of this study.

An outline and direction of the future are emerging, and we can make some educated projections. We know that the research professional is under immense pressure to deliver value and measurable business impact. We see new technologies and research models less bound by traditional precepts of best practices gaining traction. We see companies that embed innovation into their messaging gaining mindshare (and perhaps market share as well).

As the GRIT team, we found ourselves confronting the same problem many research firms face when dealing with a legacy tracking study: it's hard to adopt a new design without sacrificing consistency. It became painfully obvious that the instrument and overall method that we have been employing for many years have outlived their usefulness. We can't be arbiters of change without walking the talk. In 2012 we will be retooling the entire GRIT initiative from the ground up and embracing many of the new ideas and technologies that are part of the transformation our industry is undergoing. We will do our best to maintain enough consistency to continue tracking key metrics.

Beginning this year, we make all GRIT data available in an interactive online dashboard, including data that didn't make into the report. You'll find it at www.grit2012dashboard.com. We encourage you to use the dashboard to search for additional insights that we hope will be valuable to your organizations. Don't forget to share your explorations with others via social media (with proper attribution, of course).

I hope that you'll join me in appreciation for the contributions of our sponsors: MarketTools, Infosurv, iTracks, Decooda, Q Research Software, Brand3Sixty, Research Rockstar, the ARF, QRCA, MRIA, NewMR, The Research Club, and Market Research Global Alliance. I'd also like to extend a special thanks to all of our friends and colleagues who helped raise awareness of this important study.

I think you'll find the report informative, provocative, and useful. Enjoy!

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www.greenbookblog.org

To receive an invitation to participate in the next round of GRIT or to be notified when the next Report is available, please register at
www.GreenBookBlog.org/GRIT
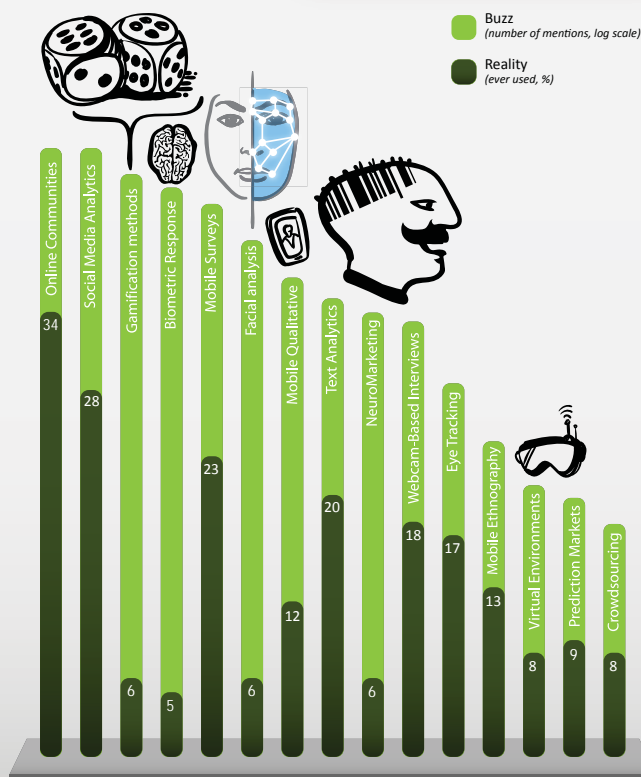
EXECUTIVE summary

1. What Clients Want?

Cheaper, Faster, Better is not a wish, it's a requirement. Quality is simply table stakes. Relationship building is still the foundation for true value-add. The bottom line is that suppliers need to make clients look good, deliver impact and ROI, and do it fast and inexpensively.

Appropriate respondents
Access to Panelists
Representativeness
Valid insights
Geographical coverage
Functionality
Quality
Price
Speed
Appropriate methods
Budget
Relationship
Reliability
Survey our own customers
Complex processes analysis
Feasibility
Geo-targeting
Researchers' expertise
Reach target market
Actionable results
Meeting objectives
ROI
Combine data collection types
Proven techniques
Proper demographics
Access specialized audience
Innovative approach
Ease of use
Respondent engagement

2. What's Shaking (MR Buzz)

As in all things social media, there is earned buzz and pushed buzz. Social Media Analytics & MROCs have earned their share of the conversation by delivering value. NeuroMarketing, Facial analysis, & Gamification are being pushed, but actual usage lags far behind their share of the conversation.

Buzz *(number of mentions, log scale)*
Reality *(ever used, %)*

Technique	Reality
Online Communities	34
Social Media Analytics	28
Gamification methods	
Biometric Response	
Mobile Surveys	23
Facial analysis	
Mobile Qualitative	
Text Analytics	20
NeuroMarketing	
Webcam-Based Interviews	18
Eye Tracking	17
Mobile Ethnography	13
Virtual Environments	8
Prediction Markets	9
Crowdsourcing	8

(Reality values at base: 34, 28, 6, 5, 23, 6, 12, 20, 6, 18, 17, 13, 8, 9, 8)

3. Emerging Technologies (suppliers response)

There is a thirst for innovation to drive real value and impact across the board. 2012 should see impressive growth for almost all emerging techniques. The year will be dominated by Social and Mobile approaches, including social media and text analytics, MROCs, and mobile research. Clients agree, but for them it's the "why", not the "how": it's all about delivering impact no matter what the technology is.

Projected use in 2011 *(Data collected Fall 2010, %)*
Projected use in 2012 *(Data collected Fall 2011, %)*

Technology	2012
Online Communities	64
Mobile Surveys	63
Social Media Analytics	59
Mobile Qualitative	46
Webcam Based Interviews	46
Text Analytics	45
Mobile Ethnography	43

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GRIT
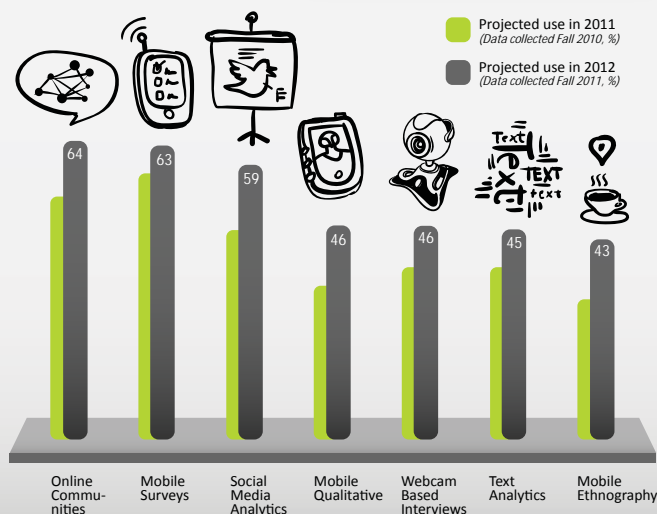
4. Innovative companies

Innovation is a powerful brand attribute. Companies that master engagement channels to spread their message of innovation and can back it up with results gain the greatest mindshare in the market research community. To be top of mind, firms have to do the work to get their message out there consistently. Size doesn't matter; creating influence does.

2010 *(Number of mentions)*
2011 *(Number of mentions)*

brainjuicer

Synovate	GfK	Nielsen	Kantar	Vision Critical	Ipsos	BrainJuicer
59	64	77	84	88	110	204
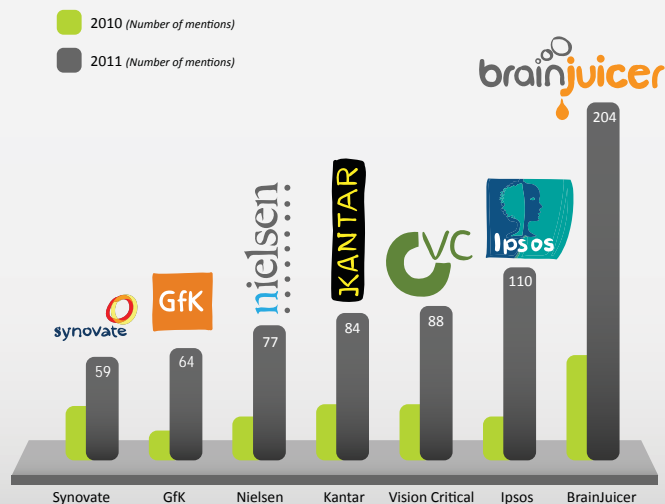
5. Industry Threats vs. Opportunities

Technology is a double edged sword: while creating efficiencies, costs savings, and giving access to robust tools to anyone, it can also lead to commoditization, disintermediation, and a decline in perceived value of human expertise. Researchers have to focus on being smart, delivering insights that drive business growth, and making new tech work for them.
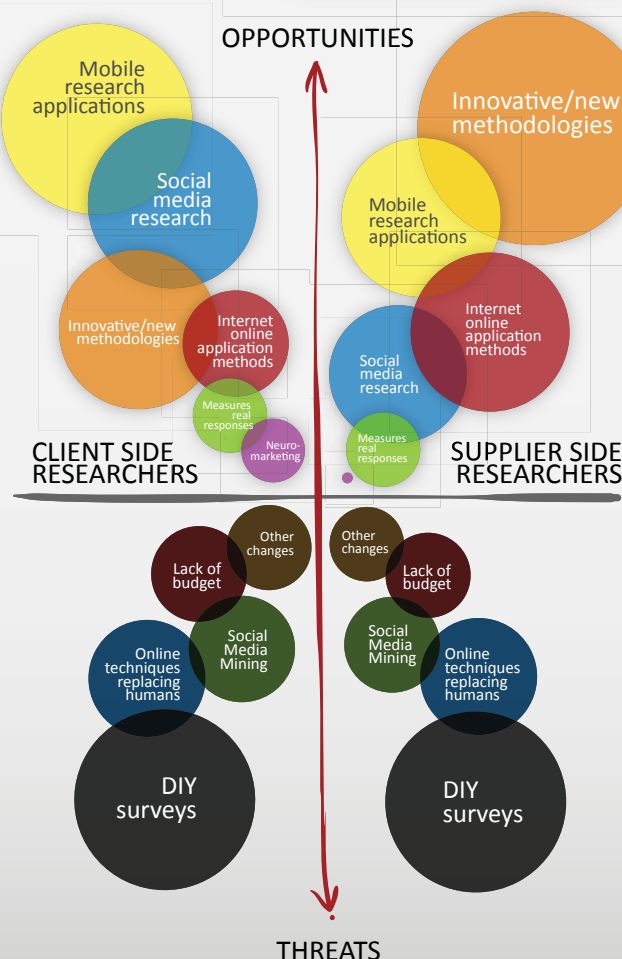
OPPORTUNITIES

Mobile research applications

Social media research

Innovative/new methodologies

Mobile research applications

Internet online application methods

Internet online application methods

Social media research

Measures real responses

Neuro-marketing

Measures real responses

CLIENT SIDE RESEARCHERS

SUPPLIER SIDE RESEARCHERS

Other changes

Lack of budget

Other changes

Lack of budget

Online techniques replacing humans

Social Media Mining

Social Media Mining

Online techniques replacing humans

DIY surveys

DIY surveys

THREATS

6. What's coming?

Mobile isn't a method, it is the new environment. Any methods that help brands get into the hearts and minds of consumers in real world contexts have an edge. Predictive analytics based on all available data is the new Holy Grail. Researchers that can deliver understanding & foresight are going to be in demand, those that deliver only data will be marginalized. Data becomes a commodity; business value is driven by what is done with it, not by the collection of it. Data Collection is now the purview of technologists, not researchers.

Digital insights
virtual research
Gamification
Electronic devices
Innovation
Online
Social media
Mobile applications
Mobile
Virtual environments
experimentation
Strategy
Innovative online tools
Webcam research
Online interviews

Methodology and sample

Annual Billings ($US)

Legend: ■ Less than $1M ■ $1M - $4.9 M ■ $5M or More

Year	Less than $1M	$1M - $4.9M	$5M or More	Total
2007	128	88	66	282
2008	122	74	88	284
2009	226	138	148	512
2010S	229	179	241	649
2010F	250	155	143	548
2011	464	202	262	1008
2011F	355	179	120	818
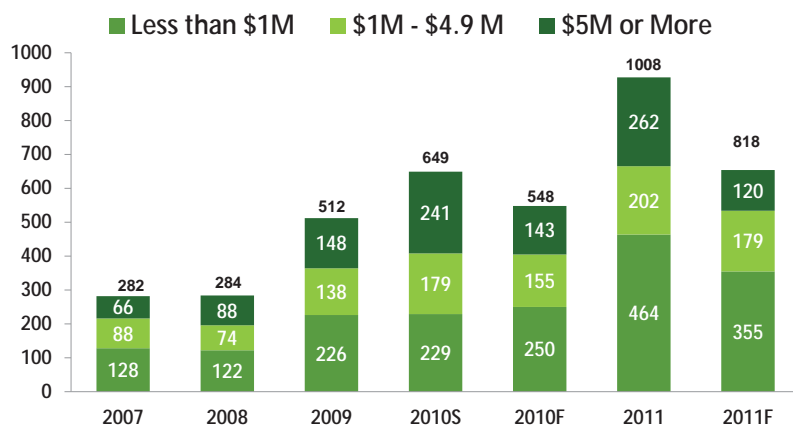
GRIT respondents are recruited by email from lists of research providers and clients contributed by GRIT co-sponsors, as well as invitations delivered via social media channels. The percentage of completes by channel was:

Source	Completes
GreenBook Subscriber List	55%
MRGA Members	12%
NewMR Members	9%
MRIA Members	7%
The Research Club Members	6%
QRCA Members	5%
MarketTools List	3%
Neuromarketing LinkedIn	1%
Infosurv List	1%
NGMR LinkedIn	1%
Social Media	1%

For the winter study 818 full responses were obtained. The mix of respondents has varied over the nine years of the trends study, but within fairly narrow bands. For this edition of GRIT, full-service providers are up slightly at 50%, consultancies are down significantly at 18%, and clients are holding firm at 15%.

The respondent revenue profile skews notably toward mid-range and small firms at the expense of larger organizations with annual revenue above $5M.

This edition of GRIT harks back to the original trends study in 2007, with two-thirds of respondents having at least one office outside the US. The proportion of firms with operations totally outside the US is 25%--down from 35% in the previous GRIT report. Research providers were slightly more likely than clients to be based entirely in the US or to have their headquarters outside the US. We consider these changes to be artefacts of sample composition rather than any meaningful change in business operations.

Based inside vs. outside US

	Total	Client	Suppliers	Gap
Base:	(536)	(149)	(387)	+/-
	%	%	%	
We are entirely based in the United States	34%	30%	36%	6%
We are entirely based outside the United States	25%	15%	28%	13%
We are primarily based in the US but have offices in one or more other countries	22%	39%	16%	-23%
We are primarily based elsewhere but have offices in the US	19%	16%	20%	4%

Clients less optimistic on revenue outlook

With one exception, aggregated respondents report comparable levels of experienced and projected revenue across the three more recent GRITs. There is a significant increase in this GRIT, however, of respondents who expect declining revenue—from 10% in the fall to 13% for winter—and correspondingly fewer respondents who expect revenue to stay at current levels for the coming year. Whether this increase in an undercurrent of pessimism is due to continued uncertainty with global economic conditions, increased competitive concerns and shift in client spend, or some combination of factors remains to be seen. What seems certain is that although the industry as a whole seems to be recovering at the same rate as the overall economy, GRIT respondents are still not ready to declare that they are out of the woods just yet.

Looking at clients and research providers separately shows two very different pictures. Positive expectations and experience (meaning they have already seen advancing revenue or expect to this year) hold steady for providers from fall (58%) to winter (59%). Client positives (based on client spending intent), however, fall off from 38% to 30%--a 20% decline.

Breaking the figures down shows even more striking shifts from fall to winter, with large differences between client and provider experiences and perspectives. While suppliers/providers experiencing increases in revenue are down only two points at 30%, clients who say they are experiencing stronger spending are down by half—from 21% in the fall to 11% in winter.

This apparent disconnect raises the question of what is driving supplier revenue; is it a shift in strategy and products, an expanding client base for existing products and services, or an increase in spend from existing clients not represented by this study. Those questions were not addressed in the research so we can only speculate, although such explorations may be included in future iterations of the study.

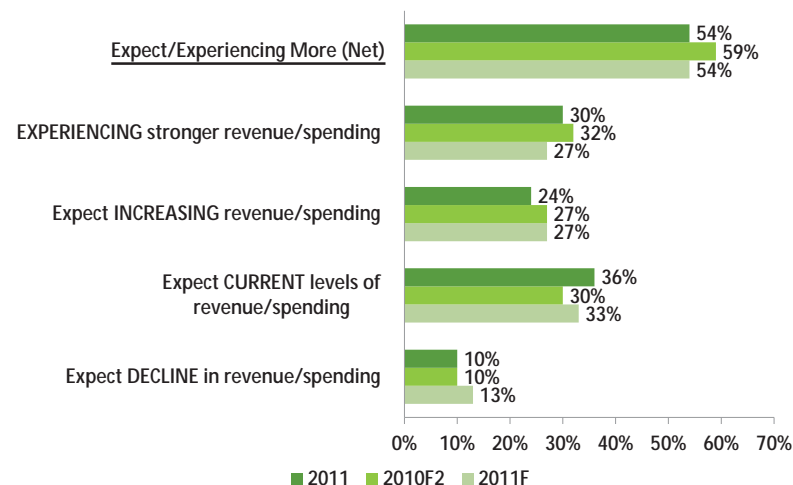**Although the industry as a whole seems to be recovering, we're not out of the woods yet**

Similarly, we cannot explain the client-side decline in spending with data gathered in this current study. However, given recent industry trends it may be due to a combination of the following factors:
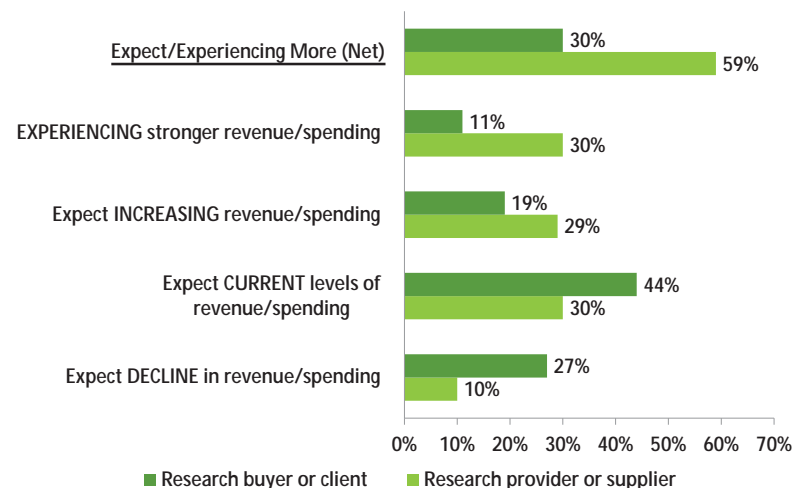
- Continued budget restrictions (perhaps driven by economy-wary management teams)
- Spending on tools and methods that fall outside the purview of traditional market research departments
- A shift away from big-budget tracking studies to less costly research efforts

Again, those questions were not explored within this phase so we will consider ways to incorporate such issues into the next phase of the study.

Revenue/spending expectations - year on year

	2011	2010F2	2011F
Expect/Experiencing More (Net)	54%	59%	54%
EXPERIENCING stronger revenue/spending	30%	32%	27%
Expect INCREASING revenue/spending	24%	27%	27%
Expect CURRENT levels of revenue/spending	36%	30%	33%
Expect DECLINE in revenue/spending	10%	10%	13%

Revenue/spending expectations - buyer vs. supplier

	Research buyer or client	Research provider or supplier
Expect/Experiencing More (Net)	30%	59%
EXPERIENCING stronger revenue/spending	11%	30%
Expect INCREASING revenue/spending	19%	29%
Expect CURRENT levels of revenue/spending	44%	30%
Expect DECLINE in revenue/spending	27%	10%

Meet Rosa, a marketing manager

at a medium-sized company

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online & mobile

hard-to-reach audiences

self-service or service-based

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Younger researchers more engaged

Asked to rate the importance of various means of staying abreast with industry developments, clients answered similarly to research suppliers/providers. There were a few differences (top two boxes): suppliers/providers are more likely than clients to prefer blogs, email delivery of blogs, and Twitter—but not by large margins. Looking at "older" researchers (with six years or more in the industry) vs. "younger" (under six years) does reveal an intriguing pattern, however.
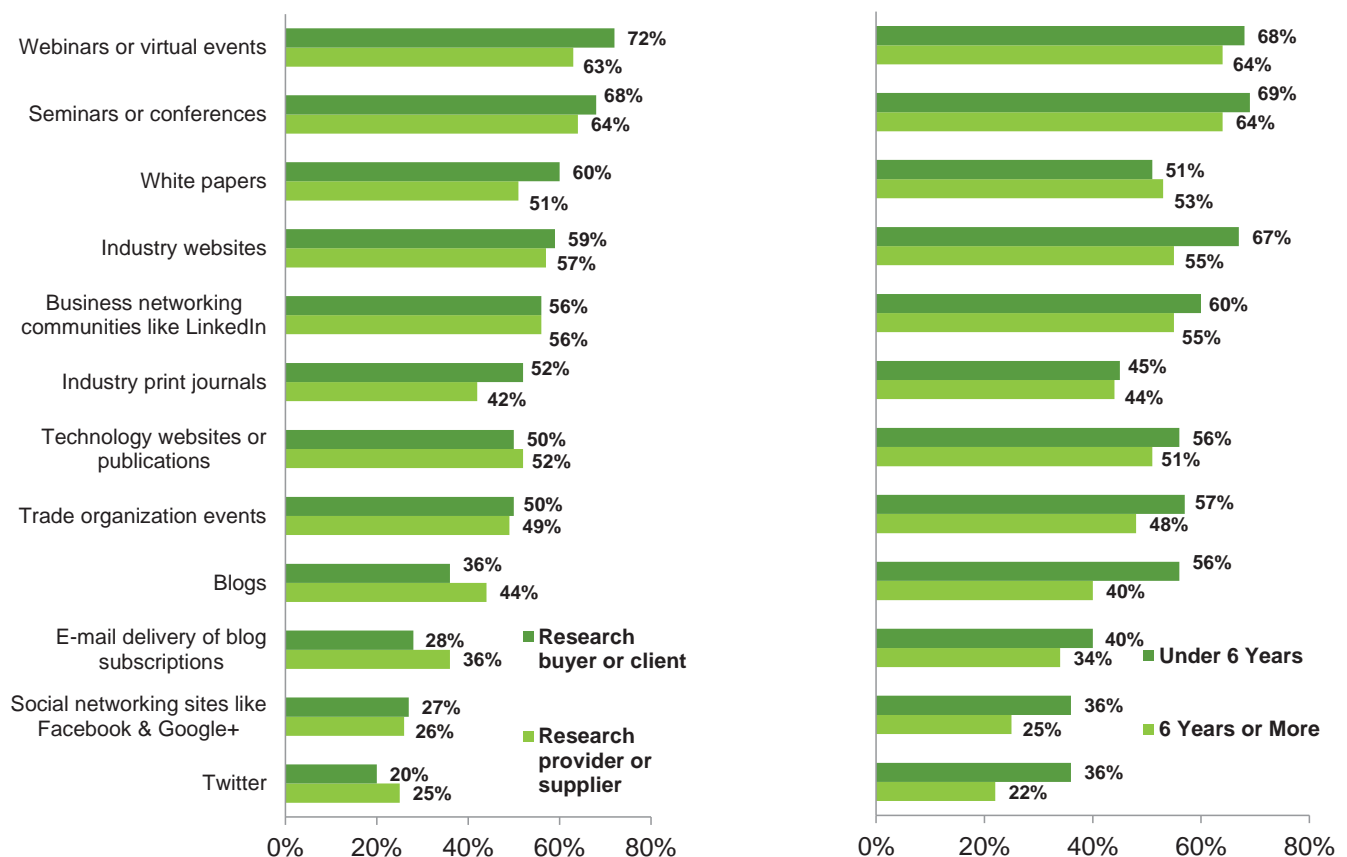
Younger researchers ascribe higher importance than older researchers to all but two sources of industry information: they are at parity about white papers and industry print journals. In descending order, younger researchers are 64% more likely to rate Twitter as important, 44% more likely to rate social networking sites important, 40% more likely to rate blogs important, and approximately 20% more likely to rate industry websites, trade organization events, and emailed blogs more important.

Most of these differences could easily be electronic media adoption issues, but that does not explain the inclusion of trade organization events. Perhaps younger researchers simply feel they have more to learn and are more eager to do so.

> Younger researchers are 64% more likely to rate Twitter as important and 44% more likely to rate social networking sites important

Importance ratings, how to stay abreast of developments - Top 2

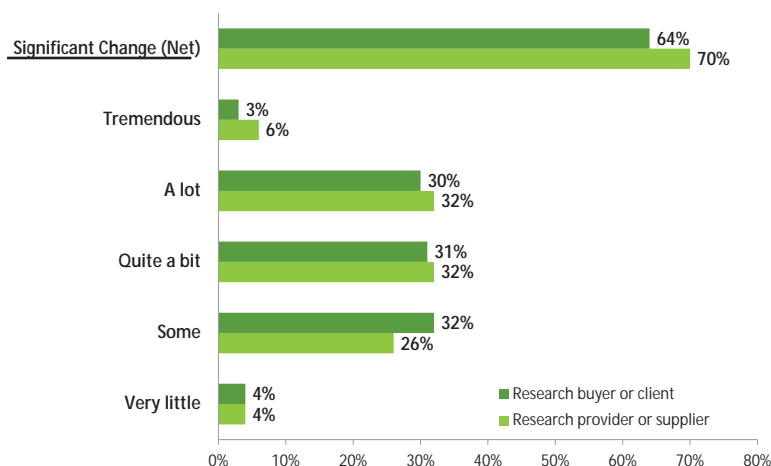|	Research buyer or client	Research provider or supplier	Under 6 Years	6 Years or More
Webinars or virtual events	72%	63%	68%	64%
Seminars or conferences	68%	64%	69%	64%
White papers	60%	51%	51%	53%
Industry websites	59%	57%	67%	55%
Business networking communities like LinkedIn	56%	56%	60%	55%
Industry print journals	52%	42%	45%	44%
Technology websites or publications	50%	52%	56%	51%
Trade organization events	50%	49%	57%	48%
Blogs	36%	44%	56%	40%
E-mail delivery of blog subscriptions	28%	36%	40%	34%
Social networking sites like Facebook & Google+	27%	26%	36%	25%
Twitter	20%	25%	36%	22%

Note: Among research buyers (n=149) and research suppliers (n=669).
*Note: Among Under 6 Years (n=135) and 6 Years or More (n=683).*

Perception of and adaptation to change

Change expected - buyer vs. supplier

	Research buyer or client	Research provider or supplier
Significant Change (Net)	64%	70%
Tremendous	3%	6%
A lot	30%	32%
Quite a bit	31%	32%
Some	32%	26%
Very little	4%	4%

Reaction to industry change - year on year

	2011	2010F	2011F
Promise (Net)	63%	62%	70%
What threat? I'm excited for my future and can't wait	16%	16%	17%
I see much more promise than threat	23%	20%	25%
I see more promise than threat	24%	26%	28%
I see equal measures of threat and promise	24%	25%	23%
Threat (Net)	12%	11%	7%
I see more threat than promise	5%	7%	3%
I see these changes as much more threat than promise	4%	3%	2%
What promise? These things threaten our industry and my job.	3%	1%	1%

Reaction to industry change - buyer/supplier

|	Research buyer or client	Research provider or supplier
Promise (Net)	92%	66%
What threat? I'm excited for my future and can't wait	20%	16%
I see much more promise than threat	34%	23%
I see more promise than threat	38%	27%
I see equal measures of threat and promise	7%	27%
Threat (Net)	1%	8%
I see more threat than promise	1%	3%
I see these changes as much more threat than promise	0%	3%
What promise? These things threaten our industry and my job.	0%	1%

GRIT survey respondents continue to anticipate changes in the market research industry. Both clients/buyers (64%) and suppliers/providers (70%) indicated that they expect "quite a bit," "a lot," or "tremendous" changes to the industry in the coming year. And while both groups are generally optimistic about these changes and report more opportunity than threat in this evolving environment, suppliers/providers were more cautionary in their responses. In fact, two-thirds of suppliers/providers (66%) indicated they perceived more opportunity than threat, but fully 92% of clients/buyers felt that these changes reflected an opportunity for them. This pattern is certainly consistent with expectations, as some suppliers/providers will doubtless find their long-standing business models under pressure from innovations in the research field.
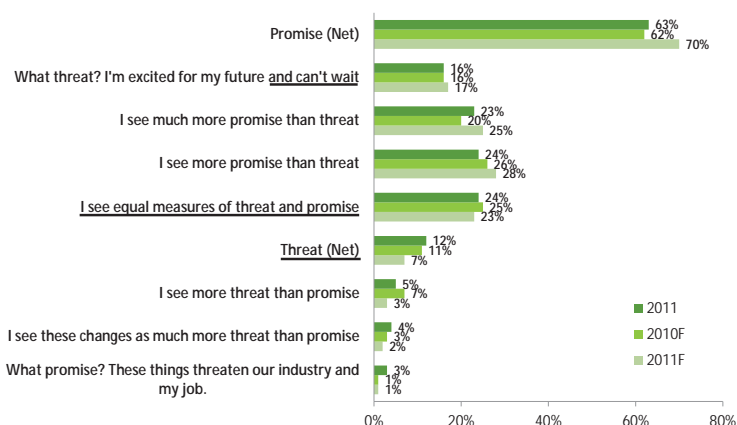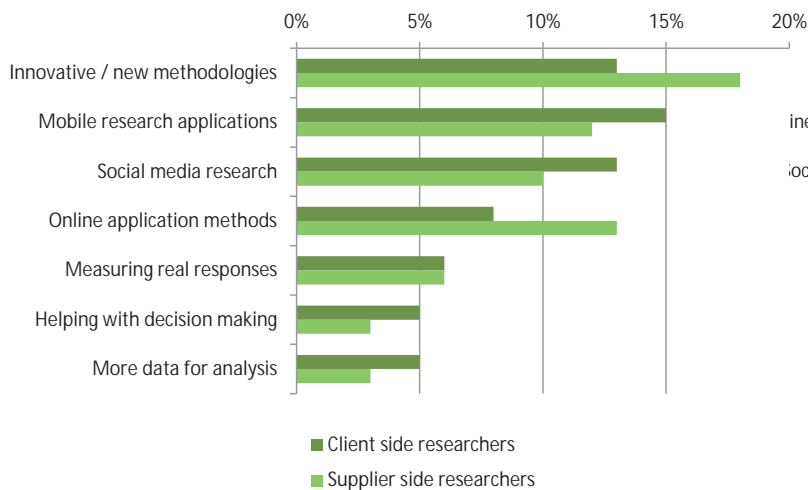
This widespread acknowledgment of industry changes and the majority expressing optimism suggest a shift into a transitory state, wherein both suppliers/providers and clients/buyers are embracing this change. Results regarding technology adoption that we cover in an upcoming section seem to validate this movement from more passive observers of the change into active co-creators during the transition stage.
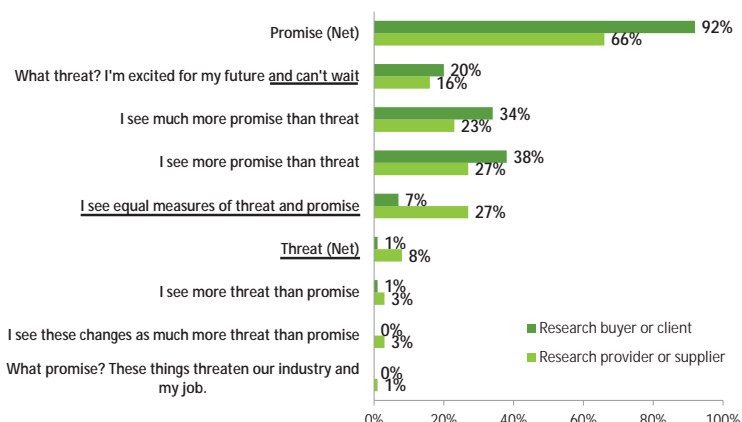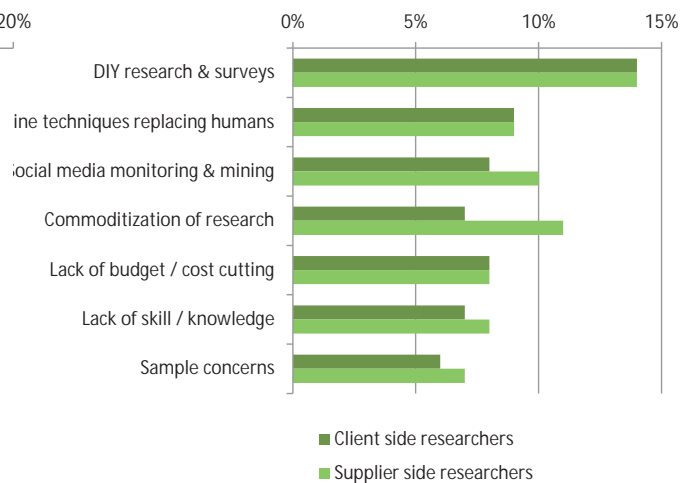
While both groups are generally more optimistic, suppliers & providers were more cautionary in their responses than clients & buyers
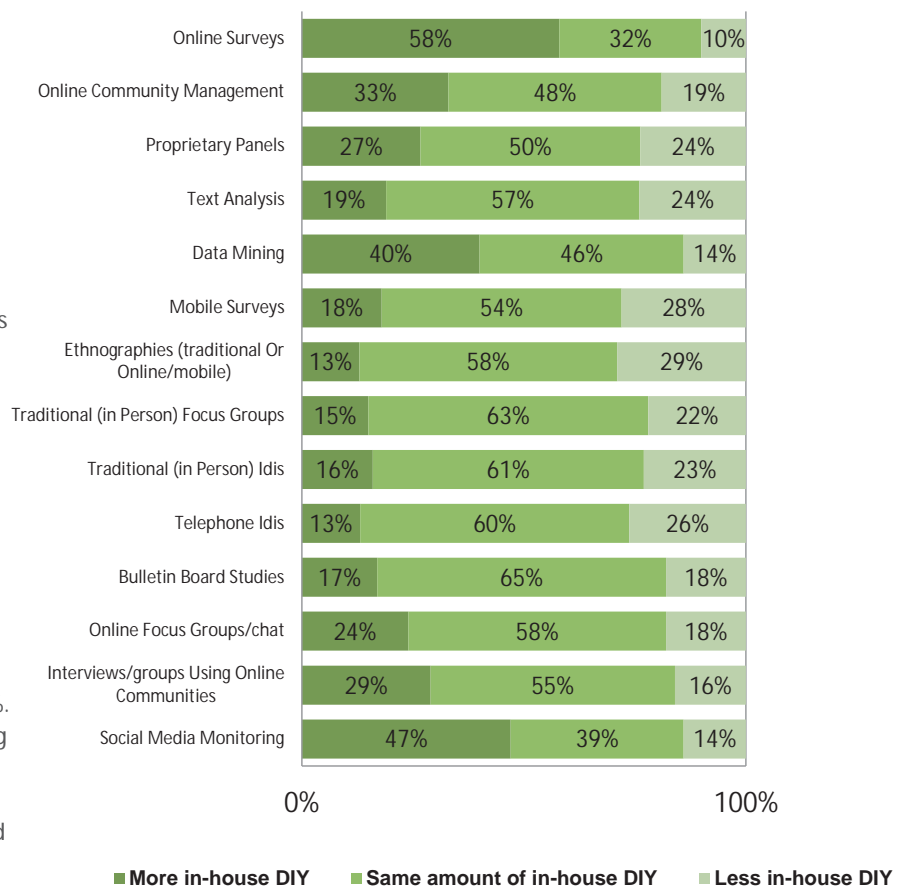
Greatest opportunities

Innovative / new methodologies	
Mobile research applications	
Social media research	
Online application methods	
Measuring real responses	
Helping with decision making	
More data for analysis	

■ Client side researchers
■ Supplier side researchers

Greatest threats

DIY research & surveys	
...ine techniques replacing humans	
...ocial media monitoring & mining	
Commoditization of research	
Lack of budget / cost cutting	
Lack of skill / knowledge	
Sample concerns	

■ Client side researchers
■ Supplier side researchers

58% of respondents reported that they planned to conduct more online surveys using internal resources

When respondents are probed on the threats and opportunities they see, an interesting overlap pattern emerges. Using a thematic analysis on their verbatim responses, we see that innovation, particularly the use of technology to create efficiencies in research can generate equal measures of concern and hope. Note that the pie slices are not indicative of percentage of responses, but solely used for visual purposes.

This view is validated by the findings regarding utilization of "Do It Yourself" (DIY) solutions, with 58% of respondents reporting that they planned to conduct more online surveys using internal resources, and sizable percentages also growing their data mining (40%) and social media monitoring (47%) activities using insourced strategies. No technique was projected to be outsourced to suppliers/providers at more than 30%. We think it is reasonable to surmise that this finding is connected to the decline in spending by clients/ buyers through insourcing more data collection activities with less added value—using DIY tools and internal resources.

Use of DIY tools

	More in-house DIY	Same amount of in-house DIY	Less in-house DIY
Online Surveys	58%	32%	10%
Online Community Management	33%	48%	19%
Proprietary Panels	27%	50%	24%
Text Analysis	19%	57%	24%
Data Mining	40%	46%	14%
Mobile Surveys	18%	54%	28%
Ethnographies (traditional Or Online/mobile)	13%	58%	29%
Traditional (in Person) Focus Groups	15%	63%	22%
Traditional (in Person) Idis	16%	61%	23%
Telephone Idis	13%	60%	26%
Bulletin Board Studies	17%	65%	18%
Online Focus Groups/chat	24%	58%	18%
Interviews/groups Using Online Communities	29%	55%	16%
Social Media Monitoring	47%	39%	14%

■ **More in-house DIY**   ■ **Same amount of in-house DIY**   ■ **Less in-house DIY**

Note: Among research suppliers (n=387).

Research suppliers shift positioning

GRIT respondents were asked how they were positioning themselves in the marketplace: as traditional suppliers/providers focused upon data collection and analysis, as business consultants, or as strategic insights consultancies. Since this was the first time this question was asked within the GRIT instrument, we cannot truly view how the shift in positioning is unfolding other than through anecdotal observations. Certainly in recent years many industry leaders have very publicly espoused the view that market research suppliers/providers must reposition themselves away from being providers of data to being more consultative.

39% of suppliers/providers identified themselves as providers of "Strategic Insights", closely followed by 35% as "Business Consultants"

In that context, it is unsurprising that 39% of suppliers/providers identified themselves as providers of "Strategic Insights", closely followed by 35% "Business Consultants." A bare quarter of respondents identified themselves as traditional research suppliers/providers, which we suspect is a fairly radical shift from how respondents would have answered this question just a few years ago.

This question will be one that we'll continue to follow in subsequent iterations of the GRIT initiative.

Engagement role – Research Providers/Suppliers

- 25%
- 39%
- 35%

■ **Traditional**
■ **Business Consultant**
■ **Strategic Insights**
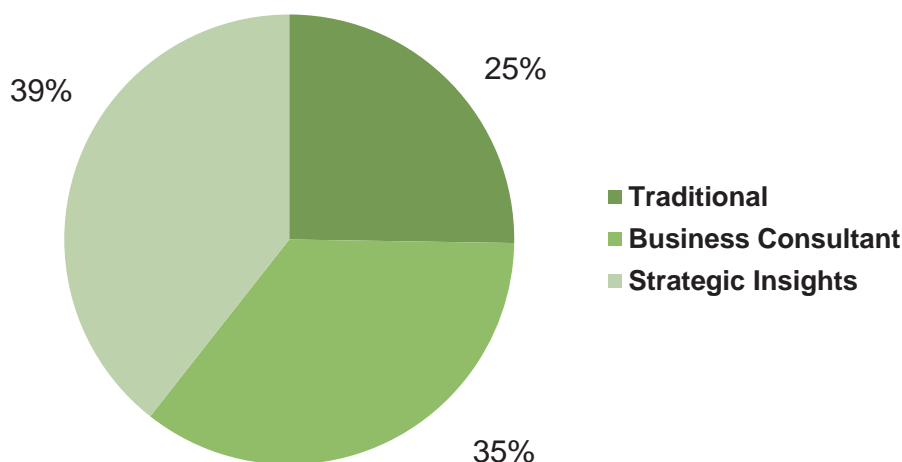
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Vendor selection criteria hold some surprises for providers

Both clients and suppliers/providers were asked to rate the importance of various factors in choosing vendors for quantitative research, yielding interesting differences between what clients rate as important and what suppliers/providers believe are important. Looking at the six largest disparities, clients place more weight than suppliers/providers expect on high quality data, financial stability, and using the latest stat/analytic packages. They place less emphasis than suppliers/providers on lowest price, previous experience with supplier, and providing both qualitative and quantitative services. Of course, as researchers, we all know that respondent find it challenging to self-reporting certain attitudes accurately. For example, the role of previous experience is downplayed by clients, while experienced suppliers/providers may find it hard to accept that at face value.

Clients/buyers and suppliers/providers are most in synch when it comes to the importance of timely delivery of results, rapid response to requests, high quality analysis, and understanding new channels of consumer communications.

Qualitative researchers and clients are a bit more in synch about the highest priority factors, but clients place much less value than suppliers/providers expect on providing both quantitative and qualitative research, lowest price, previous experience with supplier, and experience with target segment.

Quantitative Supplier Selection Criteria

Factor	Clients	Suppliers	Disparity Client over Supplier
Provides highest data quality	91	73	18
Company is financially stable	57	42	15
Uses the latest statistical/analytical packages	41	28	13
Uses the latest data collection technology	48	40	8
Listens well and understands client needs	97	92	5
Has knowledgeable staff	94	89	5
Flexibility on changing project parameters	81	77	4
Consultation on best practices and methodology effectiveness	71	68	3
Uses sophisticated research technology/strategies	51	48	3
Company owns its own research panel	21	19	2
High quality analysis	82	81	1
Understands new consumer communication channels & technologies	52	51	1
Completes research in an agreed-upon time	90	90	0
Rapid response to requests	88	88	0
Provides data analysis services	65	67	-2
Offers unique methodology or approach	47	49	-2
Good relationship with client/supplier	90	93	-3
Familiarity with the industry or category	77	83	-6
Good reputation in the industry	77	83	-6
Breadth of experience in the target segment	70	76	-6
Length of experience/time in business	57	63	-6
Familiarity with client needs	82	91	-9
Also does qualitative research	21	35	-14
Previous experience with client/supplier	75	92	-17
Lowest price	32	54	-22

THE **MAJORITY** OF
— PEOPLE ONLINE —
DON'T ANSWER SURVEYS.
Reach these people.

Most people you want answers from don't do online surveys.

pureprofile moves beyond surveys with social media & innovative respondent friendly collection methods.

SOCIAL INTEGRATION

pureprofile respondents, called Account Holders can choose to **connect their social accounts**, like Facebook to their pureprofile.

Market Researchers can then create groups and append previously unavailable social data to projects with Account Holders permission.

BIG DATA

Access continuously collected syndicated data on specific markets, brands and demographics.

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Drivers of research method selection: effective, fast, and low cost

Importance in selecting data collection method

Factor	Research buyer or client	Research provider or supplier
Effectiveness	93%	90%
Simplicity of use	90%	42%
Timeliness of results	87%	83%
Cost	79%	74%
Our clients will understand it	72%	76%
Ability to control quality process	61%	75%
Data security	54%	54%
Familiarity with technique	35%	50%
Our firm specialty/main product	30%	49%
Data quality	27%	90%
Client requests the method	21%	57%
Something new and different	21%	29%

Note: Among research buyers (n=149) and research suppliers (n=669).

Clients & buyers are insisting that ever-more stringent deadlines be met, and expecting quality to remain high despite these pressures

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Statement agreement - buyer/client or supplier/provider

Statement	Research buyer or client	Research provider or supplier
I believe that the quality of online panel sample is worse than commonly acknowledged	62%	65%
I am concerned about the non-representative nature of online sample	62%	59%
Market research is becoming a commodity	43%	58%
I believe that traditional quantitative market research is too slow and expensive to meet the needs of clients	37%	30%
I believe that traditional qualitative market research is too slow and expensive to meet the needs of clients	36%	32%

Note: Among research buyers (n=149) and research suppliers (n=669).

And what is driving the choice of research method? As in previous GRIT survey reports, all respondents noted that effectiveness, timeliness and cost were important factors (top two box ratings). But there were some dramatic differences between clients/buyers and suppliers/providers in rating individual factors. Clients/buyers were much more likely to claim that simplicity of use was an important factor (90%, compared to 42% or suppliers/providers), while suppliers/providers gave significantly higher ratings to familiarity with technique, the firm specialty/main product, data quality, and client requests for the method. Clients are looking for simple, straightforward methods from their suppliers/providers, but we also see that they want to be able to trust those same suppliers/providers with ensuring top quality.

As these research methods are deployed, one of the chief tradeoffs that researchers perceive is between quality and speed. Only 46% of clients/buyers and 40% of suppliers/providers agree that, "If they had to choose, clients prefer quality over speed." And similarly, both clients/buyers (56%) and suppliers/providers (55%) agreed that "Clients now demand such short timelines that we cannot deliver the quality we want to." Suppliers/providers, in particular, were likely to agree that "Quality of work is becoming less important than speed of deliverables" (55% agree; 45% of clients/buyers agree). The pattern that emerges is that clients/buyers are insisting that ever-more stringent deadlines be met, and expecting quality to remain high despite these pressures. Suppliers/providers are meeting the deadlines out of necessity, but are concerned that quality must suffer as a result. The key takeaway here seems to be that to clients/buyers, quality is akin to table stakes, and speed is a business necessity. It's up to suppliers/providers to meet both these expectations.

The apparent disconnect between buyers/clients and suppliers/providers on the relative importance some of the issues their priorities is an ongoing issue (and perhaps always has and will be). While agreement exists on some levels, there are a variety of tensions that are limiting alignment; and we can surmise that suppliers/providers who can resolve as many of these disparities as possible, will succeed competitively.
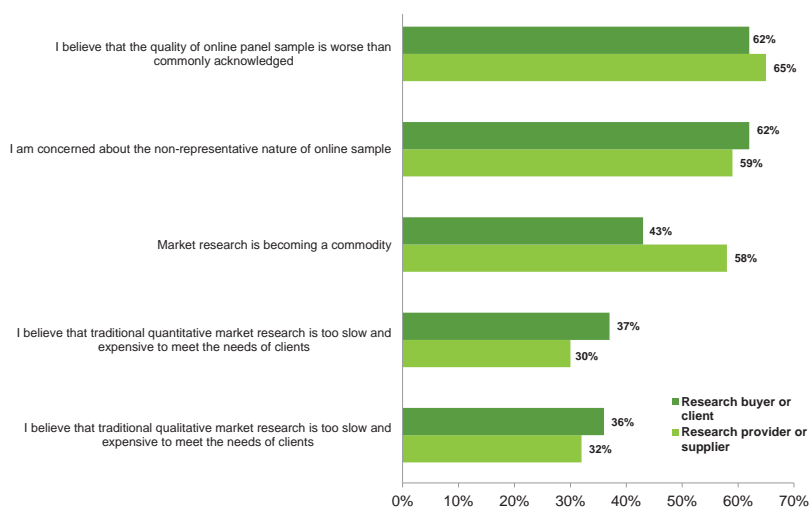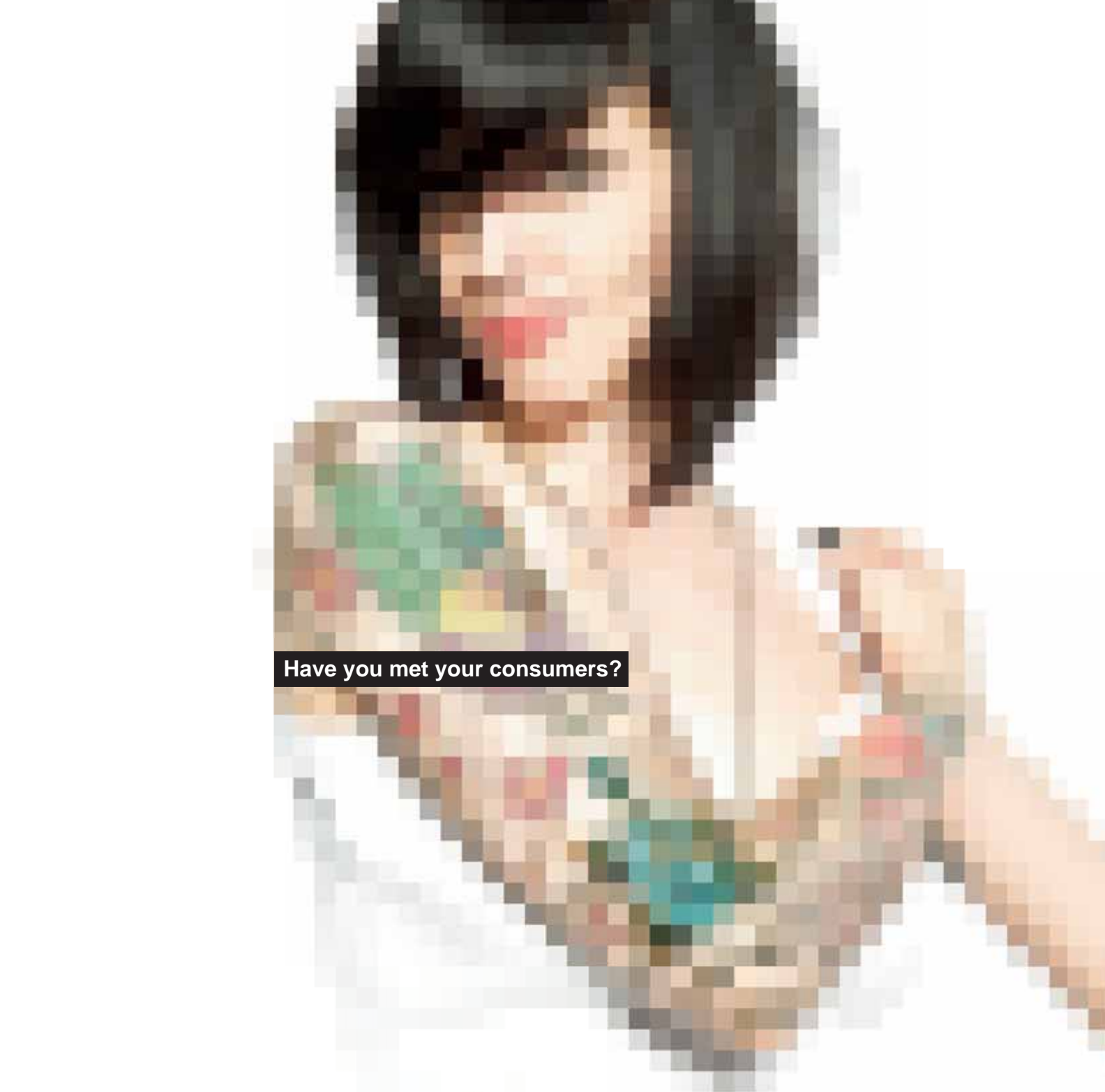
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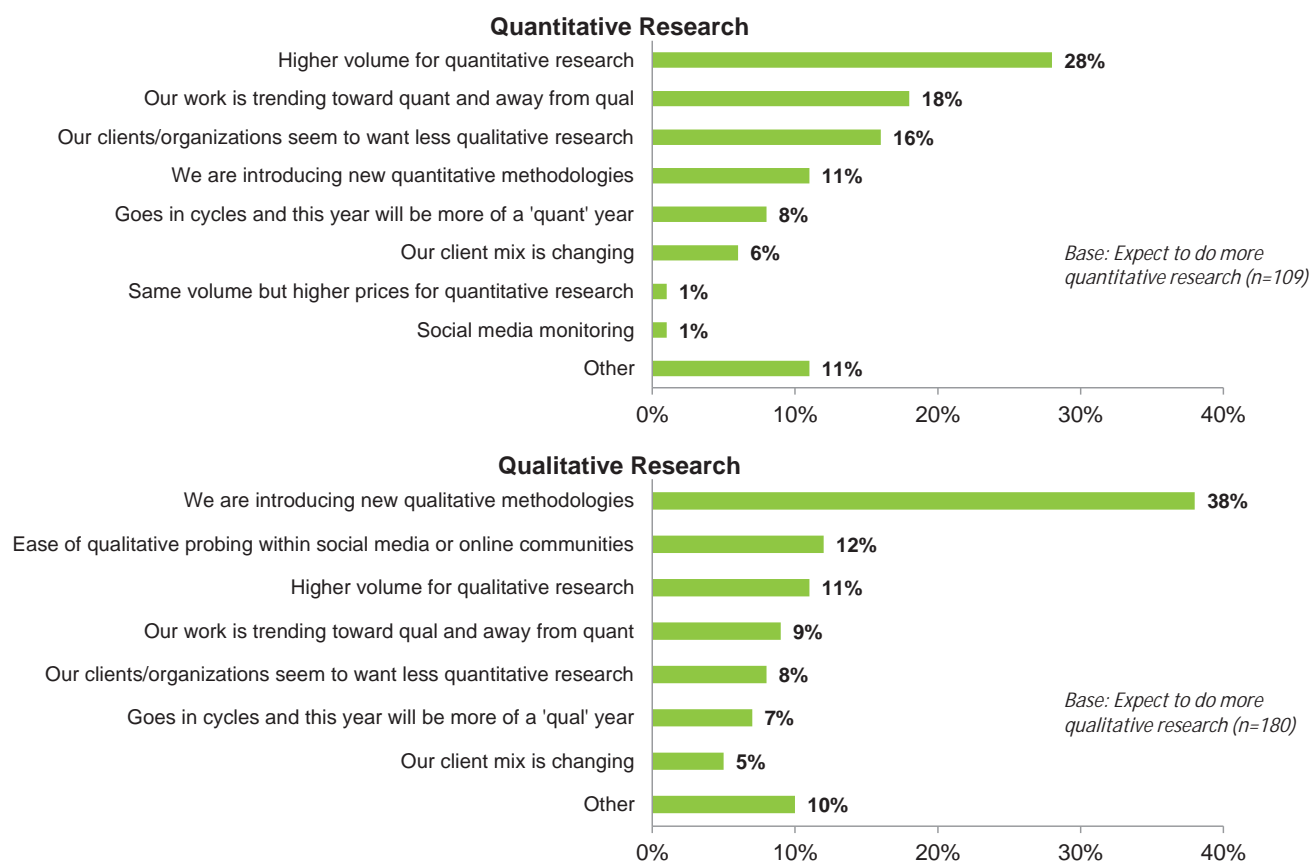
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Looking at qualitative research

Driver of increase in quantitative/qualitative research

Quantitative Research

Driver	Value
Higher volume for quantitative research	28%
Our work is trending toward quant and away from qual	18%
Our clients/organizations seem to want less qualitative research	16%
We are introducing new quantitative methodologies	11%
Goes in cycles and this year will be more of a 'quant' year	8%
Our client mix is changing	6%
Same volume but higher prices for quantitative research	1%
Social media monitoring	1%
Other	11%

Base: Expect to do more quantitative research (n=109)

Qualitative Research

Driver	Value
We are introducing new qualitative methodologies	38%
Ease of qualitative probing within social media or online communities	12%
Higher volume for qualitative research	11%
Our work is trending toward qual and away from quant	9%
Our clients/organizations seem to want less quantitative research	8%
Goes in cycles and this year will be more of a 'qual' year	7%
Our client mix is changing	5%
Other	10%

Base: Expect to do more qualitative research (n=180)

About 70% of quantitative researchers listed "online surveys" as their method most often used

2012 should see a slight increase in the proportion of qualitative research undertaken, relative to quantitative research. Just over half of GRIT respondents (52%) indicated their proportions of qualitative to quantitative would be unchanged next year. Among the rest more (30% overall) expected to do a bigger proportion of qualitative next year, while fewer (18% overall) expected to do a bigger proportion of quantitative research. Innovation is a driver of the move toward qualitative, with 38% identifying "We are introducing new qualitative methodologies" as the impetus for the shift. No other reason was selected by more than 12% of this group. Those expecting to see an increase in quantitative research, however, were most likely to cite broad factors, such as "Higher volume for quantitative research."

Qualitative method used most often in 2011

Any Qualitative Method Used

Method	Buyer	Supplier
Traditional (In Person) Focus Groups	82%	77%
Traditional (In Person) IDIs	47%	57%
Ethnography	32%	36%
In-store/shopping observations	28%	38%
Telephone IDIs	23%	48%
Bulletin Board Studies	22%	34%
Interviews/Groups Using Online Communities	22%	23%
Chat (text) based Online Focus Groups	20%	27%
Online Focus Groups with webcams	18%	21%
Monitoring Blogs	16%	13%
MROCs (Online communities)	13%	17%
Online IDIs with webcams	7%	17%
Mobile (diaries, image collection, etc...)	7%	17%
Telephone Focus Groups	7%	12%
Chat (text-based) Online IDIs	4%	13%
Other method	5%	8%

Qualitative Most Often

Buyer	Supplier
58%	48%
8%	9%
4%	2%
3%	2%
6%	11%
4%	6%
3%	2%
1%	3%
3%	2%
1%	1%
2%	5%
0%	1%
1%	1%
0%	0%
1%	2%
4%	4%

■ Research buyer or client
■ Research provider or supplier

Note: Among research buyers (n=141) and research suppliers (n=559).

The comparison of 2010 with 2011 shows an ebbing of face-to-face focus groups and IDIs, with year-on-year falls of about 6%

Despite keen interest in new and innovative research techniques, researchers noted that they still relied heavily on traditional techniques. About 70% of quantitative researchers listed "online surveys" as their method most often used. And about half of qualitative researchers indicated their method used most often was "traditional (in person) focus groups." No other quantitative or qualitative method garnered more than 10% of the choices in their respective groups as a most-used method.

Although falling from their perch as "most often used" approach, older methods are still common. Just over 50% of organizations are still doing face-to-face, about half are doing CATI (43% of clients/buyers and 56% of vendors), about a quarter still use CAPI (21% of clients/buyers and 28% vendors), and about one-fifth use mail (17% of clients/buyers and 24% of vendors).

Quantitative data collection / quantitative methods used 2011

Any Quantitative Method Used

Method	Research buyer or client	Research provider or supplier
Online surveys	91%	92%
Face-to-face or intercepts	50%	53%
CATI (Computer-Assisted Telephone Interviewing)	43%	56%
Social media monitoring	37%	29%
CAPI (Computer-Assisted Personal Interviewing)	21%	28%
Mail	17%	24%
Mobile surveys (surveys deployed on smartphones, tablets, feature phones)	14%	28%
Text analytics/semiotics	13%	19%
IVR (Interactive Voice Response)	9%	8%
Biometrics (neuromonitoring/eye tracking/facial analysis)	8%	9%
Gamification methods	3%	8%
Other method	3%	6%

Quantitative Method Most

Method	Research buyer or client	Research provider or supplier
Online surveys	72%	67%
Face-to-face or intercepts	10%	9%
CATI	10%	14%
Social media monitoring	1%	1%
CAPI	2%	2%
Mail	2%	2%
Mobile surveys	1%	1%
Text analytics/semiotics	0%	0%
IVR	0%	0%
Biometrics	0%	1%
Gamification methods	1%	0%
Other method	1%	3%

Legend: ■ Research buyer or client ■ Research provider or supplier

Note: Among research buyers (n=145) and research suppliers (n=581).

Online approaches clearly dominate in quantitative research, but less than a quarter of GRIT respondents are using any online qualitative approaches—even though the technologies to conduct various online qualitative studies have existed for many years. Whether this is a reflection of perceived efficacy or simple inertia remains to be seen, but certainly the difference is striking.

There is a long list/tail of qualitative approaches that are used by 20% or more of organizations, including: In-person IDIs, Ethnography, In-store Observations, Telephone IDIs, Bulletin Board Studies, Groups Using Online Communities, and Chat Based Online Focus Groups.

In general, the proportions of clients/buyers and vendors using various approaches are pretty close. When it comes to telephone IDIs, however, 23% of clients/buyers use them compared to 48% of vendors. Perhaps their use is flying under the radar on many larger projects? Or vendors are doing them for a smaller number of clients?

Focus Groups dominate the list of "most often used" technique. Among the others, only IDIs (in-person and telephone) make a reasonable showing, with 14% of clients/buyers and 20% of vendors saying they use them most often.

The "ever used" comparison of 2010 with 2011 shows an ebbing hegemony of face-to-face focus groups and IDIs, with year-on-year falls of about 6%. None of the new methods make a corresponding leap forwards.

The "used most often" comparisons illustrated the glacial slowness of change in qual and the lack of real breakthrough of other methods.

Emerging techniques being used today

Before looking at where things are going, it is useful to review where we are today in terms of new market research, something which is increasingly referred to as "New MR."

As in all fields, there are early adopters and then there are laggards among the GRIT sample. For example, about 30% of research clients/buyers and vendors said they were not using any of the listed techniques—a selection of 17 of the hottest approaches in market research, stretching from gamification, through prediction markets, to online communities.

We can broadly divide the newer techniques into four bands, those being used by more than 30% of companies, those used by 20-29%, those used by 10% to 19%, and those which have not taken off yet or may never take off (i.e., those attracting mentions by fewer than 10% of companies).

Over 30% utilization

Only one of the listed techniques scores higher than 30% with both clients/buyers (36%) and vendors (33%), and that is online communities. Online communities have become almost ubiquitous on conference agendas, suggesting they are becoming a mainstream approach.

Social Media Analysis is the second most frequently mentioned technique, with clients/buyers mentioning it 30% of the time and vendors 27%. In the future, it might be interesting to measure how often these projects use free versus commercial tools; also, how much should be considered "market research" and how much competitive intelligence, marketing, or other non-MR descriptions.

20% to 29%

The band 20 to 29% shows some marked differences between the percentages of vendors and clients/buyers mentioning techniques. For example, eye tracking is mentioned by 27% of research clients/buyers and only 15% of research vendors. An explanation might be that eye tracking tends to be offered by specialist agencies, or perhaps that non-MR companies are major players in providing eye tracking.

Mobile surveys and text analysis turn the pattern around. Mobile surveys are mentioned by 24% of vendors and 17% of clients/buyers, whilst Text Analytics are mentioned by 21% of vendors and 15% of clients/buyers.

10% to 19%

In the band 10% to 19% there are several other approaches more in use by vendors than by clients/buyers, perhaps reflecting a push by suppliers/providers rather than a pull buy clients/buyers. This group includes Webcam based Interviews, Prediction Markets, Mobile Ethnography, Mobile Qualitative, and Apps based Research.

Just two methods at the bottom of this band had more buyer than vendor usage—Virtual Environments and Neuromarketing.

Less than 10%

The wooden spoon group includes Crowdsourcing, Visualization Analytics, Biometric Responses, Facial Analysis and Gamification. This raises the question whether they were getting ready to break through in 2011 or are destined to be niche.

Buyer Pull Versus Vendor Push

A mismatch between the number of clients/buyers using a technique and the number of vendors selling it can suggest that the technique is more subject either to vendor push or buyer pull. But it could also relate to competitors from outside of market research and specialized skills.

What MR techniques are you using today?

Technique	Research buyer or client	Research provider or supplier
Online Communities	36%	33%
Social Media Analytics	30%	27%
Eye Tracking	27%	15%
Mobile Surveys	17%	24%
Text Analytics	16%	21%
Webcam-Based Interviews	12%	19%
Virtual Environments	11%	7%
NeuroMarketing	11%	4%
Visualization Analytics	7%	8%
Prediction Markets	7%	10%
Mobile Ethnography	7%	14%
Crowdsourcing	7%	8%
Apps' based research	6%	11%
Mobile Qualitative	5%	13%
Biometric Response	5%	5%
Facial analysis	4%	6%
Gamification methods	3%	6%
None of these	28%	31%

Note: Among research buyers (n=149) and research suppliers (n=669).

What emerging research techniques will be used in 2012?

What emerging techniques will be used in 2012?

Technique	Research buyer or client	Research provider or supplier
Online Communities	66%	64%
Social Media Analytics	66%	59%
Mobile Surveys	53%	64%
Text Analytics	43%	45%
Webcam-Based Interviews	35%	46%
Apps' based research	32%	40%
Mobile Qualitative	31%	46%
Mobile Ethnography	31%	43%
Eye Tracking	31%	21%
Virtual Environments	23%	22%
Crowdsourcing	19%	24%
Visualization Analytics	17%	24%
Prediction Markets	16%	21%
Biometric Response	13%	10%
Gamification methods	11%	25%
NeuroMarketing	11%	11%
Facial analysis	9%	13%

■ Research buyer or client
■ Research provider or supplier

Note: Among research buyers (n=149) and research suppliers (n=669).

The projected figures for what companies plan to use/provide in 2012 are approximately twice as high as the reported figures for what is being done currently

The projected figures for what companies plan to use/provide in 2012 are approximately twice as high as the reported figures for what is being done currently. This is likely to reflect a combination of robust growth in these techniques and also the power of optimism.

The New Mainstream
About two-third of companies expect to be using online communities and Social Media Analytics in 2012. This supports the view that Online Communities are already mainstream and that Social Media Analytics are becoming mainstream.

Will Mobile Reach the Tipping Point?

A big climber, from actual 2011 to expected 2012, is Mobile Surveys, with clients/buyers jumping from a current 17% to an expected 53% and vendors expecting the increase to be from 24% to 64%. Does this mean that Mobile Surveys are about to take off?

If the figures in this report relate to the estimated 10% of regular online surveys that are being completed on mobile devices, this might prove to be true. If the figures relate to specifically designed and fielded mobile surveys the outcome might be different.

One interesting anecdote that might shed light on this issue: in a recent conversation a senior leader at a global research provider stated that within their organizations they billed well over $100M for mobile-based projects last year. Due, however, to legacy accounting system issues, most of these projects were assigned to CAWI or CAPI codes. They suspect that many large full service firms are struggling with issues like this, resulting in under-reporting the usage of mobile as a research platform. Many of the firms providing mobile research services are technology providers or sample companies that are not asked to contribute data to broad industry reports. Further, newer companies emerging into the space are not members of any trade organizations that track revenue by method. Given all these factors, it is highly likely that the contribution of mobile research to global market research spend is far higher than has been reported.

In the GRIT study we have chosen to measure modality use by share of projects rather than share of revenue, and this may explain why GRIT is shows relatively high usage of a discrete mode while other industry studies are reporting far lower indicators.

It is also possible that legacy accounting and delivery by firms not surveyed as market research providers may also be causing social media and text analytics to be under reported. Their actual usage and contribution to revenue may be significantly higher than current data show.

If this dynamic applies, it would support the bullish attitude that GRIT respondents have towards the growth of mobile.

Buyer Pull

The only method showing more clients/buyers than providers is eye tracking, which mirrors the split in the current figures. Eye Tracking stands out as consistently having a different pattern of supply and demand.

> **A big climber is Mobile Surveys, with clients/buyers jumping from a current 17% to an expected 53% and vendors expecting the increase to be from 24% to 64%**

Vendor Push

Approaches that clearly show more utilization by vendors than by clients/buyers in 2012 include methods generally considered innovative: Mobile Surveys, Webcam based Interviews, Apps based research, Mobile Qual, Mobile Ethnography, Crowdsourcing, Visualization Analytics, Prediction Markets, and Gamification. Vendor push of these modes is consistent with the drive to create operational and cost efficiencies as key competitive differentiators among suppliers/providers. In other words, vendors remain focused on the "How", while clients are more interested in the "Why". Focusing on the shape of the overall market should not hide the fact that specific clients/buyers will also be driving the process by demanding innovation and change.

> **Vendors remain focused on the "How", while clients are more interested in the "Why"**

The Dark Horse and the Wooden Spoons

Text Analytics is fourth in the table of approaches expected to be used in 2012 and is strongly favored by both vendors and clients/buyers. This may be one to watch.

The approaches that emerge as niches for both clients/buyers and vendors are Biometric Response, Neuromarketing, and Facial Analysis.

Actual use versus buzz

Actual use vs. web buzz

Method	Ever Used	Buzz Count
Online Communities	34%	3904
Social Media Analytics	28%	3904
Mobile Surveys	23%	1187
Text Analytics	20%	157
Webcam-Based Interviews	18%	99
Eye Tracking	17%	27
Mobile Ethnography	13%	8
Mobile Qualitative	12%	254
Apps' based research	10%	
Prediction Markets	9%	2
Virtual Environments	8%	3
Visualization Analytics	8%	0
Crowdsourcing	8%	1
Gamification methods	6%	2252
Facial analysis	6%	547
NeuroMarketing	6%	121
Biometric Response	5%	1687
None of these	30%	365

■ Ever Used
■ Buzz Count - Log Scale

Note the Buzz Count data relates to the previous wave. Comparison of buzz to actual use reveals two types of relationships. For about two-thirds of research approaches reported use by organizations is broadly correlated with the standardized measurement of buzz. Online Communities and Social Media Analytics are at the top, and items like Virtual Environments and Visualization Analytics are at the bottom.

But there is a small group of approaches where the buzz greatly exceeds the 'ever use' figures. Biometric Response, Neuromarketing, Facial Analysis, and Gamification all have far more buzz than their usage figures would have predicted. Perhaps they are on the cusp of wider adoption, or they could be destined to be more discussed than used and to remain fashionable niches, or these approaches may simply transcend market research and pick up buzz from a wider part of the market.

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Future intent versus actual use

Future intent vs. actual use a year later - client

	Fall 2011	Fall 2010	Expectation vs. Actual
Social Media Analytics	30%	68%	-38%
Online Communities	36%	58%	-22%
Text Analytics	16%	47%	-31%
Mobile Surveys	17%	41%	-24%
"Apps" based research	6%	32%	-26%
Webcam-Based Interviews	12%	29%	-17%
Crowdsourcing	7%	26%	-19%
Mobile Ethnography	7%	25%	-18%
Eye Tracking	27%	25%	2%
Visualization Analytics	7%	24%	-17%
Mobile Qualitative	5%	23%	-18%
Prediction Markets	7%	21%	-14%
Virtual Environments	11%	15%	-4%
NeuroMarketing	11%	14%	-3%
Biometric Response	5%	11%	-6%
Gamification methods	3%	8%	-5%

Future intent vs. actual use a year later - supplier

	Fall 2011	Fall 2010	Expectation vs. Actual
Mobile Surveys	24%	57%	-33%
Online Communities	33%	52%	-19%
Social Media Analytics	27%	45%	-18%
Webcam-Based Interviews	19%	37%	-18%
Text Analytics	21%	37%	-16%
Mobile Qualitative	13%	33%	-20%
Mobile Ethnography	14%	30%	-16%
"Apps" based research	11%	27%	-16%
Eye Tracking	15%	20%	-5%
Virtual Environments	7%	18%	-11%
Visualization Analytics	8%	18%	-10%
Crowdsourcing	8%	18%	-10%
Prediction Markets	10%	18%	-8%
NeuroMarketing	4%	12%	-8%
Gamification methods	6%	10%	-4%
Biometric Response	5%	8%	-3%

Suppliers/providers

In general market researchers were an optimistic lot in Fall 2010. The actual usage figures in Fall 2011 were about 50% of the figures 'expected' in Fall 2010. The difference that stands out above all others is with mobile surveys. In Fall 2010 the forecast was for 57% of companies to use it in 2011. The actual usage figure in Fall 2011 was 24%.

Considering that mobile seems to be a supplier "push" method, this perhaps indicates the overestimation of client demand, although it may also be a reflection of the challenges of migrating existing projects such as trackers to the new mode due to design and platform issues. Of course, as previously reported at least anecdotally, it may be that this apparent over inflation is simply an accurate projection based on business realities "on the ground". If in fact we are to see the tipping point for mobile in 2012, it has been suggested that new projects, particularly in emerging markets where mobile is the dominant means of consumer contact, will drive adoption. The GRIT sample was not asked those questions, so we'll be exploring that in subsequent iterations.

The next group of four that undershot their estimates by 18 to 20 percentage points were: Mobile Qual, Online Communities, Social Media Analysis, and Webcam bases Interviews.

Clients/buyers

Clients/buyers were even more optimistic in Fall 2010, with the average actual use in 2011 at only 45% of the 2010 projection. The biggest gaps were in Social Media Analytics (30% instead of 68%), Text Analytics (16% instead of 47%), and Apps Based Research (6% instead of 32%).

Prediction markets

In the Fall/Winter 2011 GRIT, we again asked the research community to predict, "Which of these technologies/methodologies will experience the largest increase in adoption in the next 12 months?"

Seventeen (17) technologies & methodologies were considered. Respondents were asked to "invest" in these techniques as a method for predicting the probability that a technique will experience the highest level of adoption over the next 12 months.

434 GRIT respondents participated in the predictive market exercise.

As in the 2010 prediction market, respondents predicted that Social Media Analytics is likely to see the greatest increase in adoption in 2012. Mobile Surveys, Online Communities, Apps-based Research, and Webcam-based Interviews round out the top five.

It's worth noting that researchers have very different opinions regarding the future of research. While there is some consensus that utilization of a few techniques will likely grow in 2012, researchers are not particularly confident that any of these techniques will dominate our future. Even Biometric Response (which has a 1.42% probability of becoming the "next big thing") received a speculative "vote" from no less than 33% of researchers.

Respondents predicted that Social Media Analytics is likely to see the greatest increase in adoption in 2012

The predictive markets analysis seems to agree with the rest of the data about the niche nature of Biometric Responses, Facial Analysis, Virtual Environments, and Visualization Analytics. All four of these appear at the bottom of the value prediction, and the three that were there in the 2010 study did badly then too. One possible explanation for this low performance is that these methods are often quite costly, and so would be available only to those with a unique combination of deep pockets and a willingness to accept risks.

Two of the top three positions in the Predictive league are the two that appear strongest amongst in the rest of the study, i.e. Social Media Analysis and Online Communities. These two approaches were also very strong in the 2010 study.

However, perhaps the most interesting finding is that Mobile Surveys is second in 2011, just as it was in 2010. This seems to tie in the with the popular view that at some point Mobile will be the next big thing, and plenty of people think it will be very soon. We should note that plenty of people have thought it would be the next big thing for quite a few years. Perhaps, however, this is finally the year?

Technology/Methodology	2011 VWAP	2010 VWAP	VWAP Change	Position Change
Social Media Analytics	$18.11	$15.46	2.65	-
Mobile Surveys	$15.19	$15.16	0.03	-
Online Communities	$11.53	$12.41	-0.87	-
Apps based research	$6.68	$5.85	0.83	↑3
Webcam-Based Interviews	$6.50	$7.31	-0.81	-
Text Analytics	$6.24	$7.77	-1.53	↓2
Mobile Qualitative	$6.00	$6.01	-0.01	↓1
Mobile Ethnography	$5.44	$4.74	0.71	-
Gamification Methods	$4.22	$1.81	2.41	↑7
Crowdsourcing	$3.79	$3.58	0.22	↑1
Predictive Markets	$2.91	$3.82	-0.91	↓2
Eye Tracking	$2.67	$3.74	-1.08	↓2
NeuroMarketing	$2.12	$3.21	-1.09	↓1
Visualization Analytics	$2.01	$2.70	-0.69	-
Virtual Environments	$1.95	$2.97	-1.02	↓2
Facial Analysis	$1.66	NA	NA	-
Biometric Response	$1.42	$2.31	-0.89	↓2

Technology/Methodology	2010 VWAP	2011 Utilization	2011 Utilization Δ
Social Media Analytics	$15.46	28%	No Change
Mobile Surveys	$15.16	24%	↑2%
Online Communities	$12.41	35%	↑1%
Apps based research	$5.85	10%	↓1%
Webcam-Based Interviews	$7.31	17%	↓1%
Text Analytics	$7.77	19%	↓3%
Mobile Qualitative	$6.01	11%	↑3%
Mobile Ethnography	$4.74	12%	↑3%
Gamification Methods	$1.81	6%	↑4%
Crowdsourcing	$3.58	9%	↑2%
Predictive Markets	$3.82	9%	↓1%
Eye Tracking	$3.74	18%	↑1%
NeuroMarketing	$3.21	6%	No Change
Visualization Analytics	$2.70	8%	↓2%
Virtual Environments	$2.97	8%	↓1%
Facial Analysis	NA	6%	N/A
Biometric Response	$2.31	4%	↓1%

Looking at 2010 predictions we can see that the r-squared between the 2010 dollar values and the 2011 utilization was 0.78, i.e. 78% of the variation was shared. The agreement with the 2011 dollar values and the stated intent to use figures was equally high with an r-squared of 0.82.

Respondents stated intent to utilize the various techniques we evaluated in the prediction market, also shared a positive linear relationship with prediction market data (PPMCC = .901)

Respondents' intent shared a positive linear relationship with prediction market data

In the prediction markets, nearly half of all the value ($45) was allocated to the top three approaches, Social Media Analytics, Mobile Surveys, and Online communities. A prudent researcher would probably want to ensure that they had these three covered in 2012, with one or two smaller bets on some of the other approaches.

An additional verbatim response was asked at the end of the predictive market exercise asking respondents why they assigned the values to each method. Again using a thematic analysis approach via text analytics we see an interesting pattern emerge. The text analysis was intended to identify the key themes and concepts contained within the unstructured data and we have chosen to illustrate the results with a word cloud as an effective visualization technique to show the major drivers of predicting technique adoption.

5

The 50 firms perceived to be most innovative

Beginning in 2010 we decided to start tracking which firms were perceived as most innovative within the global market research industry. Last year we came up with a list of the *Top 50 Market Research Firms Perceived to be Innovative* to much fanfare by the industry. That list was compiled by a simple open-ended unaided awareness question: which MR firms do you consider to be most innovative? Because we realized this was a little light in terms of methodological rigor, this year we decided to go deeper and refine our method. Here is what we did:
1. Using an unaided awareness verbatim question, we asked respondents to list the three companies they considered to be most innovative.
2. We then asked them to rank those firms from most to least innovative.
3. Finally we asked another verbatim as to why they considered their number 1 ranked firm to be most innovative.

Using the aggregate of the 1-3 ranking question we developed a list of 84 companies that received multiple mentions. From that list we have narrowed it down to the Top 50 for additional analysis. The goal of this avenue of inquiry is to glean insight on the drivers of perception around what makes a firm innovative in order to understand how MR firms are capitalizing on the idea of "innovation" to grow their businesses. We believe that this list, developed by our peers within the industry, is a true measure of how successfully these companies are leveraging this brand attribute.

The goal is to glean insights on the drivers of perception around what makes a firm innovative in order to understand how MR firms are capitalizing on the idea of "innovation" to grow their businesses

Last year we presented this list as a rank ordered analysis, and in prepublication releases of these findings we initially did the same. However, upon consultation with multiple industry colleagues, most notably the Chief Research Officers of several firms represented within the analysis, we have decided **not to assign a rank.** We are simply going to report the findings in descending order from most mentions to least. We believe this decision will allay some of the "horse race" aspects of this question while allowing all interested parties to clearly see the strength of their brand within the context of innovation. We also believe this decision will give us freedom in the future as we refine the method used to collect these data.

During the analysis we encountered the need to develop a framework to guide our coding scheme due to the complex ownership relationships between many of these brands, their marketing positioning by business units, the visibility of key individuals associated with the brands, and merger and acquisition activity within the industry. We consider these guidelines to be dynamic and flexible to an extent, but in general we found that we were able to apply them successfully in most cases. The rules we have established for ongoing analysis of this question set are:
1. Companies must be owned for at least 12 months before they are rolled up under parent company
2. Companies must have a research or analytic offer to make the Top 50 list
3. Legacy brands that were sold to more than one company are not coded under any parent company (e.g., Greenfield)
4. Companies must be fully owned to be considered part of the parent company
5. Parent brand must be mentioned at least twice to trigger roll up under parent brand
6. If a company has two trade names used within multiple markets, both brands will be counted.
7. Individuals are rolled up into their parent company.
8. Software sold by a larger parent company would be rolled up into the parent company

It's interesting to note our second rule. In this iteration of GRIT we saw the prevalent mention of several client-side organizations including Procter & Gamble and Coca-Cola. We suspect this may have to do with senior leaders from those brands being highly visible within the industry promoting research innovation. A more challenging example was Google, which would have been in the lower tier had we counted them. Ultimately we decided that although Google has been making some inroads into the market research space we would not include them until that offering was more clearly defined. This begs the question for future surveys of how we define market research, as we fully expect to see more new entrants that may not fit the classical definition of MR entering into the consciousness of the research marketplace.

One anomaly that we could not resolve bears mentioning. Since this question was posed as a verbatim response, spelling concerns occasionally came into play. While in almost all other cases it was fairly easy to reconcile these issues, in the case of one firm it was not: InSites Consulting. Insites had 26 brand mentions putting them in the top quarter of all brands. We also had Insight Consulting listed 10 times, and since there is an MR firm known as Insights Consulting we had no choice but to list them as well. It is entirely possible that spelling played a role here and that InSites may have actually garnered more mentions, but we have chosen to accept respondent answers at face value and are reporting both in their corresponding position within the list.

The companies listed are masters of social marketing - this idea helps explain how relatively small, new entrants compete effectively with large multinational firms

Since this question seeks to understand how market research firms are leveraging the brand attribute of innovation within their marketing efforts it's instructive to look at how the most highly rated firms achieved this feat.

Thanks to the input of several colleagues, especially Renee Smith, Global CRO of Kantar, we've been looking at the data in a few new ways, and that has informed our analysis of what the story (or stories) are regarding this list. We keep coming back to one central theme: the companies listed are masters of social marketing, and this idea helps explain how relatively small, new entrants onto the list compete effectively for mind share with large multinational firms. A total of 19 firms debuted on this list in 2011, with many of them being small strategic consultancies that owe much more of their DNA to advertising agencies than traditional market research firms do. These newer players are akin to Generation Z consumers; they are "digital natives" who understand how to leverage various tools and channels to promote their brand. It will be interesting to see how these firms grow in both brand recognition and market share in the future.

This begs the question for future surveys of how we define market research, as we expect to see more entrants that may not fit the classical definition of MR

50 firms perceived to be most innovative

Company	2011 Mentions	2010 Mentions
BrainJuicer	204	60
Ipsos	110	25
Vision Critical	88	32
Kantar	84	32
Nielsen	77	25
GfK	64	17
Synovate	59	31
itracks	47	18
20/20 Research	38	15
Millward Brown	29	14
InSites	26	5
Affinnova	26	9
Anderson Analytics	22	21
Qualvu	21	11
MarketTools	20	7
Communispace	20	15
Toluna	19	10
Revelation	18	10
Harris Interactive	17	0
NeuroFocus	16	8
Research Now	16	8
Hall & Partners	14	6
e-Rewards	14	6
Hotspex	12	0
uSamp	12	4

Company	2011 Mentions	2010 Mentions
Maritz	12	11
Qualtrics	12	0
Insight Consulting Services	10	0
SSI	10	0
Conversion	10	0
Decipher	10	0
FreshMinds	9	0
Burke	9	7
comScore	9	0
Sawtooth	9	0
GMI	8	0
Lieberman Research Worldwide	8	4
Firefish	8	0
Flamingo	8	0
Forrester	8	6
MESH Planning	8	0
BuzzBack	7	4
Join the Dots	7	0
Research Through Gaming	7	0
Truth	7	5
Gallup	7	6
SymphonyIRI	6	0
EmSense	6	6
Schlesinger	6	0
McKinsey	6	0

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Discriminant Analysis of the Top Tier Innovative Firms

As we did in the 2010 report, we conducted a discriminant analysis plotted on a quadrant map to look at the relationship between attitudes around market research by those who selected a company as being most innovative. The goal of the analysis was to determine if attitudinal predispositions impacted how brands were perceived when it comes to the "innovation" attribute. Factors which were more important include speed of deliverables, importance of quantitative, importance of qualitative and general value of research to name just a few. Thus the chart represents multiple attitudinal dimensions in a two dimensional plane.

Where multiple companies were mentioned, the company that was mentioned first was selected as the target variable. Discriminant analysis was run to understand how best to predict the profile of respondents who would consider firms as being most innovative. We focused on the most mentioned 15 brands for purposes of the analysis. Labels which most closely reflect those variables that loaded more heavily on the respective X and Y axis have been added.

Overall, this type of attitudinal analysis should be considered directional as to how brands are currently perceived and may offer some insight into how they can more effectively target their brand messaging from their established perceptual base.

The drivers of the perception of innovation

As a follow-up to the company listing exercise we asked GRIT respondents to tell us why they selected their personal first ranked company as innovative. This was a verbatim response, and the coded responses are enlightening. A full quarter of respondents state that offering innovative or new methodologies was the primary driver of perception, followed a by a diverse mix of stated reasons that focused on various techniques, services, and brand strengths—of which no single mention garnered more than 10%, with most being less than 5%.

Although we have this analysis by brand as well as by supplier/client it is too unwieldy to display here. We encourage readers to review the online dashboard for a deeper exploration.

Visit our online dashboard for detailed charts & insights at **www.grit2012dashboard.com**

Post-survey qualitative findings

Two GRIT focus groups were conducted among research suppliers/providers on January 10 and 11, 2012, using the iTracks platform. Respondents and the Brand3Sixty moderator used webcams and telephone conferencing to create a virtual group setting. With one exception, the CEO of a global mobile data collection service, respondents represented smaller shops and consultancies of no more than 5 – 20 employees.

The over-arching topic was industry change: whether it was affecting them and, if so, how. It was a wide-ranging discussion, but the most striking theme that emerged was the need for researchers to support a different kind of client, with different needs and facing enormous internal pressures.

The most striking theme was the need for researchers to support a different kind of client, with different needs and facing enormous internal pressures

In both provider groups, respondents went through a familiar litany of increased time pressures, budgetary constraints, and interfacing with younger clients with less experience in marketing research and less respect for the niceties of sampling and statistical rigor.

As one respondent put it, "If you're just a researcher, that's tough; because there are a lot of clients who think they know how to ask the same questions you can."

In contrast to previous GRIT discussions on similar topics, however, there was a striking absence of "poor us" attitudes. As some explicitly stated, it is too late in the game to bemoan shifts in the industry that old hands find uncomfortable. Change is here, change is happening, and change is the new status quo. Quite simply and starkly, the choice is quite clear: adapt or get left behind.

There was also a strong thread of empathy and sympathy for the new client.

While expectations of senior managers for breakthrough insights delivered quickly are going up, the market research expertise within client companies is shrinking. Account planners and marketing strategists are replacing marketing research professionals. They face tight budgets, fast changing market conditions, an explosion of data and communications options, and hard-nosed demand for direct contributions to ROI. Tasked with delivering insights and guidance at breakneck speed, they do not have time for detailed discussions about research design and methodology.

It is important to deliver the best insights using the best methodologies and the most rigorous data gathering approaches that time and budget will allow. Today's "time and budget," however do not always allow for optimal quality, much less the time to execute it. Designing the next research project is not how they add value to the organization. Suppliers/providers need to make these clients aware of the dangers of going too fast and too shallow and to help them communicate the tradeoffs up the food chain.

Approaches that fit this new model include social media monitoring, secondary data exploitation (helping clients glean insights from what they already "know" about their customers), and an increasing reliance on qualitative research and qualitative analysis of existing data pools.

Respondents agreed that qualitative research has a lot going for it in this new world order, when insight and relevance trump projectibility. Hearteningly, some respondents see former clients coming back to them to manage projects they had been conducting in house using services like Zoomerang. They still want data quickly and cheaply, but they also want the confidence of knowing they are working with "a real researcher."

Quite simply and starkly, the choice is quite clear: adapt or get left behind

Implications

This most recent wave of the GRIT tracking program affirms the trends observed in prior waves and, in particular, the shared belief among both clients/buyers and sellers of marketing research services that significant change is underway. Our 2010 and 2011 waves, in particular, carried a somewhat distressing tone, in that most respondents were concerned about the major structural and systemic changes being faced by the marketing research industry. The "systemic stressors" we identified then certainly continue to affect the industry, although now it appears that a process of adaptation is occurring and most of the industry is now focused on capitalizing on the "new normal" vs. bemoaning the need to change.

There are many reasons to be optimistic. Self-reported revenue/research budgets remain positive overall, regardless of client or supplier; this is confirmed by external benchmark sources. Technology has become the great equalizer, with the industry experiencing strong global expansion and competitive growth globally. And while significant change is anticipated, our industry is much more likely to view it as an opportunity than a threat – and real opportunities are clearly unfolding, both in the form of changing expectations about the tools we'll be using in the future, but also in the positioning of research professionals everywhere.

Of course technology and globalization have created new challenges too as data collection becomes a commodity market that can no longer be the core revenue driver for many firms, forcing changes in business models for many while also ushering in new competitors eager to accept the challenge of delivering low cost solutions to research clients/buyers.

Using a variety of measures, this GRIT wave convincingly shows that while some emerging methods and technologies may not have reached the "tipping point" yet, the supplier side of the industry is bullish on many of the same technologies that clients are espousing interest in, creating the opportunity for great strategic alignment as well as ushering in new channels for delivering value to clients and growth to business stakeholders.

As we reported last year – social media is here to stay and it seems to be joined now by mobile. The challenge we face as marketing researchers is how to use these new modes effectively and how to best synthesize this torrent of data into usable information for marketing decision-making. As we reported in the previous phase of the GRIT study, in the not-too-distant future, we will see marketing research departments adding staff in the form of social media experts to assess the digital landscape; using psychologists and data mining experts to synthesize web buzz into leveragable marketing data; and data integration experts to weave together both new and traditional measures of market performance. Research organizations seem to be planning for a future that looks different than the industry of the past few years, and that type of proactive leadership indicates that the reports of the demise of market research may be very premature indeed.

The marketing research industry is clearly facing a period of unprecedented change – yet one with significant opportunity and promise for better, richer, and more comprehensive information to help shape the marketing process. It's an exciting time for our industry and although some may feel that the traditional role, process and position of MR are under assault, most are embracing the change and working hard to capitalize on the opportunities.

While significant change is anticipated, our industry is much more likely to view it as an opportunity than a threat

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www.thearf.org

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The MRGA was established in 2007 as the first social network for market researchers to help them achieve professional and career goals. Since then, our community has grown to over 9,000 members and is thriving on trusted platforms such as Ning and LinkedIn. We continue to expand opportunities for our individual and corporate members to network, learn, and engage with the community.

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MRIA-ARIM

The Marketing Research and Intelligence Association represents all aspects of the market intelligence and survey research industry in Canada, including social research, competitive intelligence, data mining, insight, and knowledge management. Members include over 2,000 practitioners, small to large research houses, and the many buyers of research services, such as financial institutions, major retailers, insurance companies and manufacturers.

Website: www.mria-arim.ca

NewMR

NewMR is a collaborative endeavor whose mission is to co-create the future of market research. The primary expressions of this mission are the Festival of NewMR, Radio NewMR, regular virtual events and one of the most highly regarded MR LinkedIn groups, all centered around the NewMR.org website. NewMR seeks to give a voice to all who have a passion for research, a desire to innovate and a commitment to learning and sharing, regardless of age, seniority, or geography.

www.newmr.org

The Qualitative Research Consultants Association (QRCA)

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www.qrca.org

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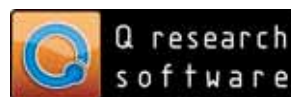
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