"The future is already with us - just unevenly distributed"

Title

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Abstract

This paper adopts its title from William Gibson's quote and provides an analysis of what lies just beyond the horizon. The paper shifts the focus away from the tactical issues (for example how best to integrate the Internet today), towards the strategic issues posed by the social, cultural, and economic context created by the Internet and other changes. The paper identifies things that we already know separately, and pulls them together into a holistic review.

Paper

The transformational drivers that will impact society over the next five to ten years are already present, often in dispersed and nascent forms. The main problem with acting on these factors is that most of us are prisoners of our conventional assumptions about how things are. In his book "The Art of the Long View" Peter Schwartz describes the problem that most of us face when we take a deterministic view. "*They take it for granted that some things just can't or won't happen; for example, 'oil prices won't collapse', or 'the Cold War can't ever end.' Not having tried to foresee surprising events, they are at a loss for ways to act when upheaval continues. They create blind spots for themselves*." Schwartz goes on to describe how the scenario spinning process can help us assess what might happen. The object of these scenarios is not to be 100% prescient about the future but to expose the issues that may need to be addressed. The strength of scenario spinning is clearly articulated by Stewart Brand (President of the Long Now Foundation) when he says of it "*It ensures that you are not always right about the future but – better – that you are almost never wrong about the future*".

To assess how we, as market research professionals, must adapt over the next five to ten years, we need to develop a view, or rather views, about the changes that are happening in the society in which we operate. The paper identifies assumptions about key transformational drivers and then proceeds to speculate on their likely consequences for society and market research. This paper builds on some of the work in an earlier paper ("We have five years") but extends the context to the wider societal changes and pushes its vision from the tactical to the strategic.

Key technologies

Most of the issues raised in this paper relate to people and behaviour, not to specific technologies. However, there are some technologies which underpin and accelerate the societal changes reviewed in this paper, and which are outlined briefly below:

- Text recognition/processing. After many years of promise it appears that computers will soon be ready to understand words the way we want to write them (and, to a lesser extent, words the way we say them). This technology is important to society because it opens the door to a step-change in automation. Many forms of service will become more available, better, and cheaper. The technology is important to market researchers because it will allow us to ask open-ended questions, and to then process the responses, breaking down the distinction between quantitative and qualitative approaches.

- Mobile connectivity will start to work, sometime over the next 5 years. This will mean integrated information, voice, payments, and networking. According to the EMC World Cellular Database the number of mobile phone users approached one billion by the end of 2001, and is predicted to pass two billion by the end of 2004. (By contrast, the Nielsen/NetRatings quarter 3, 2001 figure for Internet access was a little under 500 million – most of it via PC).

- Database software will improve so that it will be able to, meaningfully, use large amounts of data on millions of people. Data-mining, data matching, and extrapolation will all expand to the point where it becomes meaningful to think of brands having a one-to-one relationship with their customers.

This paper does not build any of its assumptions on high levels of PC based Internet access. Few markets seem to have passed 60% penetration. This may change with Digital/Interactive TV, with advanced gaming machines, with increased provision of bandwidth, and/or at lower prices. However, the changes highlighted in this paper are probable even at current rates of PC Internet usage, and would not change appreciably even if the rates went much higher.

24/7 connectivity

The first manifestation of mankind's change from discreet communication to continuous, multiplexed channels was the humble pager. This was followed by email, mobile telephony, SMS (text messaging), I-mode, and instant messaging. The impact of this change is most noticeable amongst the youth, who carry on conversations even in the bathroom, and who accumulate text messages whilst they sleep. The youth were also the early adopter group for Instant Messaging systems (although now that 57% of US Internet users are using Instant Messaging we need to consider it as mainstream). Economically this change is being reflected in longer opening hours, call centres, multi-channel programming, and peer-to-peer systems such as the lamented Napster. The next phase, will be the rolling out of widespread mobile Internet connectivity, and the integration of mCommerce into everyday life. In our own sphere of interest, market research, Jamie Cattell of Research International has already shown how this increased connectivity, in Japan, can be utilised for research. Modes of behaviour and customs are in a state of flux as they seek to adapt to 24/7 connectivity.

The implications for research include:

- Clients wanting support and services with more immediacy and on a more 24/7 basis. This in turn is a driver of the growth in online, real-time reporting, and the justification for some of the larger, international companies planning to span their core support and services globally, covering the time zones.

- The adoption of new strategies for contacting time-poor consumers, resulting in shorter questionnaires, asynchronous qualitative (for example Bulletin Board Groups), and new statistical approaches that allow incomplete data sets to be interrogated (for example Hierarchical Bayes and multi-imputational techniques).

- Timescales will continue to get shorter; projects will increasingly go from design, through fieldwork, and into the presentation in less than a week. The initial consequence will be a shift towards template designs, convenience samples, skimming the most obvious findings (something the management consultants might call the low hanging fruit), and more use of branded research products. In the longer term we will see a growth of meta analysis, where analysts take the results of multiple surveys and re-analyse them to access high quality insights.

Traceability

Over the past few years there has been an explosion in the degree to which we are tracked and traced throughout our life. As we proceed through our day we leave a wake of electronic and other traces behind us.

There are a growing number of crimes solved by CCTV (Closed Circuit TV) or DNA testing, and a growing number of people are able to prove their innocence through the wake we leave. In a recent British political scandal an accused couple established their innocence through records showing their location when making mobile telephone calls and when using their credit cards.

Within the commercial world this traceability is even more pronounced. Retailers have developed loyalty schemes, most payments are at least partially electronic, road/bridge/tunnel tolls increasingly use smart-charging, companies like Engage and Double-Click track us across the web, personalisation software optimises e-commerce, and mobile phones create a torrent of personally traceable information. The result is that urban citizens are increasingly traceable; we are seeing the death of anonymity and great reductions in privacy. Within the social context this has implications for law and order, and in the political arena for state interference/control. In the economic context, this traceable data is providing companies with unparalleled quantities of data about individuals, and in the future they will be able to use it!

CCTV in our cities and towns, DNA testing, speeding cameras, online tracking, mobile phone tapping and tracking, electronic commerce, and RFIDs (radio frequency identifiers) are all harbingers for a world where most conventional crime will be detected. This means speeding vehicles will be detected, tax evasion will be spotted, and theft will be solvable. However, given that most payments will be predicated upon having online access and eCash, there could well be a significant underclass who will not formally be part of society.

The implications for research are largely neutral or beneficial. Interviewer fraud will be identifiable, supplier fraud will be easier to detect, financial transactions will be more secure, and there should be fewer risks to interviewers. However, this process will add to the commoditisation of the research process and will reduce barriers to entry. At present one advantage established networks and organisations are able to offer is the quality processes that helps ensure the research is conducted as it should be.

The implications for research include:

- The process of asking people to tell us what they have seen, bought, consumed, used will become irrelevant, as large-scale measurements become available. The focus will shift to asking people why they did things, and what they might do in the future.

- Increased traceability will result in fewer errors and crimes within the data collection process. This will add to the pressure for data collection to become a commodity, and reduce one of the advantages of the large, well-organised group, namely the quality procedures that combat errors and misdemeanours.

- As massive amounts of data become available systems will adapt to convert the data into information and competitive advantage. One potential area of stress will be the similarity between software used by vendors to optimise one-on-one marketing and software used by government agencies, such as police forces, to identify probable miscreants.

- The natural masters of this new universe will be the direct marketers and CRM companies – people who are likely to be the main competitors or compatriots for market researchers in the future.

Cyber Pamphleteers

In 18th Century Europe and America there was up swell in agitation and indeed revolution. One of the driving forces for this agitation was the appearance and growth of the pamphleteers. Cheap printing was utilised to attack established icons and assumptions. For example, one key pamphleteer, Thomas Paine, was inextricably linked to both the French and American revolutions, and to agitation in England. This was, perhaps, the high water mark

for the written word being used against the establishment, in order to radicalise and inform a wider audience.

A strong contrast to the energy and destabilisation of the pamphleteers is given by the US and allied press during the Second World War. By the 1940s, the US President, FD Roosevelt, was in a wheelchair and was clearly a sick man. However, most of the public did not know this and the media co-operated with the deception, even taking pictures of FDR whilst he was being propped up.

The Internet is the medium of the modern pamphleteer. For example, the Clinton and Lewinsky scandal would not have broken if it were not for the Internet and the Drudge Report. From Seattle to Genoa, anti-globalisation protesters utilise the ultimate global medium to share information and to organise.

This accessibility of the reporting medium is picked up on by cartoonist turned author Scott Adams, and his creation Dilbert, "*In the future, everyone will be a news reporter*.". Adams reports that he receives about 350 emails a day from people sending him news, anecdotes, reports of copyright infringements, and jokes. Adams points to the growth in personal home pages and makes the observation that "*People like to talk more than they like to listen.*".

The Web as a campaign medium is not restricted to 'politics', it even comes into our own back garden. www.casro.org is the home page of the Council of American Survey Research Organizations. However, www.casro.com is a web site which campaigns to stop market researchers from phoning people who do not wish to be called. At www.adbusters.org, you can see campaigns and materials aimed at ridiculing and parodying genuine commercial advertising. Think about those viral ads you have seen, how many truly originate with the brand, and how many originated with people whose aim is to amuse, mislead, or provoke? This phenomenon is very evident with the masses of home made Budweiser imitations.

Because of the Net, every brand mistake can be a global mistake, an idea carelessly researched could become a PR disaster, and every quick dollar could rebound somewhere, sometime.

The implications for research include both upsides and downsides:

- The downside is the risk that any piece of research can become a global news story. An online respondent can capture an NPD idea and release it to the competitor, or the world. The likely result is that all sensitive research will be conducted with people have entered into a contractual agreement with the researcher.

- The upside is that, as researchers start to benefit from automated text processing, we will be able to move away from the qualitative quantitative dichotomy. In many cases, the choice between qualitative and quantitative comes down to a trade-off between asking too few people some really penetrating questions, against asking a good sample of people superficial questions. In the future we can view customers as potential informants and partners. With automated dialogues we will not have to accept the downsides of existing qualitative and quantitative approaches.

Permission and dialogue

The Internet is creating a new dialogue between brands and consumers. For example, Recipio has designed a system that allows large volumes of customers to express their views to P&G, General Motors, Dell, Kraft, and many others. This dialogue bypasses traditional market research entirely. At present the communication is both limited and unfriendly. But, the direction is towards faster, automatic, and transparent processing of text.

Seth Godin with his tract on permission marketing has not only pointed to changes in marketing, but also to a fundamental change in the relationship between brands and consumers. The extension of permission marketing is permission market research, as an integral, non-anonymous part of the marketing process. Traditional research shibboleths,

such as sampling and confidentiality, run the risk of standing in the way of this new dialogue, or of simply being irrelevant to it!

Many researchers have noted that clients are increasingly asking research agencies to use the market research process to update the clients marketing database. Whilst market researchers might turn this work down, CRM companies, direct marketers, web site companies, are all happy to step into the breach!

In the short term one of the challenges for Internet related research is the shift way from interviewer administered interviewing to self-completion, a topic explored by Pincott and Branthwaite in their paper "Nothing new under the sun?". However, in the longer term we can anticipate a very different interface. Dynamic text processing and voice recognition are already making inroads into the work of online help and call centres. As these technologies develop, the balance in the need for research skills will shift. Self-completion tends to emphasise the traditional skills of the quantitative researcher, with their ability to pose closed questions that allow discrete and complete identification of responses. As technologies develop and permit a dialogue with the respondent, we will see the need shifting towards the skills traditionally associated with qualitative researcher, for example asking open ended questions, and then probing the respondent based on the content of the reply and initial discussion guide.

The implications for research include:

- A move away from the theory of random probability samples, towards systems based on norms and experience.

- The coalescence of CRM, eCRM, direct marketing, and market research.

- The creation of dialogues with respondents, rather than the application of traditional questionnaires.

Politics as a media phenomenon

One of the most frightening predictions that flows from the pen of cartoonist Scott Adams is his observation about politics, "*In the future, most democratic countries will be led by tall people with good hair and smart staff members.*". As media presence becomes everything, as form leaves content behind, as the length of the average sound-bite reduces to some inaudible asymptote, the whole political process will be reduced to polling, focus groups, and media opportunities. In recent years the West has seen the striking successes of media friendly politicians who operate with one eye permanently on the opinion poll and the focus group. Both Bill Clinton in the US and Tony Blair in the UK are prototypes of this future.

To see the consequences of where this media and opinion polling vision will lead, we can look at elements of what Tony Blair is piloting in the UK. The UK Government have produced a number of directives, such as Best Value, which require departments, official bodies, and lower tiers of Government to collect and report user/client opinions. These initiatives are then linked to a "name and shame" approach that inhibit any action or decision that might look bad in the media.

In the short term this will be highly beneficial to research organisations as Government regulated organisations ramp up their spending on research. In the medium to long term there is a risk, however, that the public will see researchers as part of the political system, part of the snooping and mind-bending process that apparently gives the citizen what they want, but somehow leaves everyone short-changed at the end of the day. This may seem unfair, but surely no more so than the growing practice, round the world, of rioters of treating uniform wearing fire fighters as part of the state, resulting in abuse and missiles being thrown at them just as much as they are at the police and army.

The implications for researchers include:

- The adoption and adaptation of many of our techniques by politicians and Governments.

- The blurring of the distinction between selling soap and selling a politician.

- A risk of the public associating market researchers with the process of social engineering.

Outsourcing and the freelancer

The most obvious structural change that is happening in the research industry is the way that the giants are becoming larger by acquiring small, medium, and even large companies. The latter half of 2001 saw, major acquisitions by TNS, WPP, Ipsos, GfK, and Incepta, Aegis, and VNU. However, the major global trend in commerce is the outsourcing of non-core functions, and the growth of the powerful freelancer/consultant/expert.

Scott Adams whimsies, "*In the future, all work will be outsourced, until all the work on the planet is being done by one guy*". Clearly, Adams is pushing the case beyond reality. But he does correctly pick up on this major global trend, heavily promoted by the large accounting companies.

One peculiarity of the research industry is that we seem very slow to adopt modern business trends, and this seems to be true of outsourcing. If we look closely at what our clients are doing, we should start to wonder why we are so different, and ask ourselves are we that special? If research companies were to behave more like conventional companies, we should be seeing more outsourcing of data collection, call centres, human resources (including recruitment, training, and payroll), IT services, accountancy, property management. What would be left would be market research!

It is said of generals that their great weakness if that they tend to fight the next war using tactics that were relevant to last one. Large research organisations seem to be behaving similarly. They seem to see one of their key advantages as being global quality control. When a client goes to one of the large international research agencies they may pay more, but they can be relatively sure to get a quality process. This has led to the belief that process management is part of the research business, in management speak agencies see it as part of their core competence.

The first major challenge, to the perception that process management is a core research competence, has been the growth of the Internet as a data collection medium. In terms of sample, software, server, incentive delivery, data collection is becoming a commodity. Previously all research companies made a significant share of their profits from the data collection process, often undercharging the executive element whilst making a comfortable return on the fieldwork. With data collection as a commodity there will be no opportunity for it to subsidise the executive element of the project. Indeed, the trend may be towards clients insisting that fieldwork be bought via open bids on electronic exchanges.

Adams also identifies, "*In the future, skilled professionals will flee their corporate jobs and become their own bosses in ever-increasing numbers. They'll become entrepreneurs, consultants, contractors, prostitutes, and cartoonists.*". The most important capital in the future will be knowledge. A hundred years ago, somebody with the relevant skills and ideas needed: sufficient money (or access to money) to build a factory, to purchase imports (possibly having to go abroad to source them), to hire and a train a workforce, and then the skill to manage the whole enterprise. In the future many key workers will only need a PC and a link to the Internet, both of which are becoming increasingly cheap and powerful.

The key implications for research organisations include:

- Research companies will tend to lose key specialists. The upside will be that they can treat specialists as a variable resource, using less when they are less busy, and buying

more when they are busier. The downside is that power will be transferred out from the organisation to this legion of mercenaries.

- Commoditisation and outsourcing will mean that research companies will have to make their profits from two areas. Firstly, the ability to put multi-sourced projects together. Secondly, research skills! Here research skills are defined as the ability to understand the problem, to ask the right questions, to pick the right samples, to conduct the correct analyses, to identify the key insights, and the ability to report these insights in a way that enables the client to make better decisions.

Conclusion

Each of the drivers outlined above spell out major changes for society, in terms of culture, politics, and economics. By extension this means major changes for the market research profession. The growth in connectivity and traceability will remove much of the need for quantitative 'bean counting' research. However, this same change will fuel the growth in observational, motivational, analytical, and semiotic techniques.

Permission marketing and client discourse will require market researchers to abandon anonymity or leave the field. The Cyber Pamphleteers will potentially make life difficult for companies who do research for say tobacco companies or possibly drug companies that are thought to be too 'commercial' about protecting their patents in the third-world.

Commoditisation, outsourcing, automation, and Internet data collection, will result in dramatically smaller, directly employed, headcounts over the next five years.

Postscript

In this paper I have set out one person's view of where market research in general might be headed over the next few years. However, what is really interesting, for most organisations, is to ask the question 'where are **we** going'. One practical task that has been suggested by Wayne Early is to write your company's (or your departments) annual report, for a year 5, 10, 15, or even 20 years in the future. In doing so you will need to address "*Where would you want to be? Which trends are driving our future? What are the clues to emerging trends? What are the forks in the road ahead? What road conditions can be expected? What will our destination be like when we get there?".* I warmly recommend that you get different teams to work on different annual reports, and then explore the common ground (these are likely to highlight your most dangerous assumptions) and your points of divergence (these often reflect strategic opportunities).

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