



TRACKER TRANSFORMATION

MANAGING CHANGE IN TRACKERS AND NORMED STUDIES

CHAPTER 1 | HOW DID WE GET HERE



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For more information, the Pew Research Institute has done an excellent job chronicling this change. Their reports are free and worth reading. Visit their site at pewinternet.org

The consumer insights industry is facing a crisis the likes of which it hasn't seen since it moved online. Massive smartphone adoption, better internet speeds, faster and more competent devices that have become an extension of ourselves, and constant connectedness to media and social networks have changed not only how people participate in research studies, but

how they participate in the global economy as well. Younger, connected audiences have migrated en masse to their smartphones. Even 30-45 year olds now index extraordinarily high on mobile usage relative to desktops.

This poses a real problem for brands and retailers trying to understand how markets are changing. For years they have run very carefully-managed surveys to monitor brand awareness, market share, competitive positioning, satisfaction, and advertising effectiveness. State-of-the-art when they were created years ago, these studies are now universally crumbling. Some have completely fallen over dead. Everyone—the industry and its clients—has been aware of this decline for some time now, but for various reasons nobody's reacted, creating a vicious circle of dwindling participation and increasingly suspect data.

Why, though? How did we get here? Why is this disproportionately affecting tracking and normed studies?

The Trick with Tracking

As the name implies, tracking studies (or “trackers”) are used to monitor a company’s performance over time. Companies use them to determine market share, understand brand awareness and competitive position, and evaluate advertising effectiveness and satisfaction. The point of reference can be at any level, from an individual company, to an entire industry or sector, from specific geographic markets or demographic groups, to entire populations.

The essential strength of a tracker is that it is run consistently, with **the same core questions** asked of **the same people** at **the same intervals**. Consistency is nonnegotiable: even the smallest, seemingly inconsequential change can cause people to answer questions differently and create a break in the trend. When that happens, you are at sea without a compass or landmark: *Is that decline in market share due to a bad advertising campaign? A new competitor? Or is it because this month the question was asked in a slightly different way?* You won’t know; your point of reference is past the horizon.

Because of their consistency, trackers are useful for gauging a company’s own performance as well as that of its competition on an “apples to apples” basis. Trackers thus reflect the performance of the people accountable for doing this work. The CMO’s performance will often be tied to market share. Regional managers will have sales goals in their territories. Advertising teams and their agencies will live or die on effectiveness measures, and so on.

With the objective data trackers provide, companies plan, execute, measure, and repeat. Over time, trackers become the accepted “truth” around which organizations are structured, power is held, stories of performance are rationalized, and crucially, how bonuses and pay raises are allotted. Problems arise, therefore, when markets start to change in big, meaningful ways. The very things that make trackers so reliable and important inhibit their evolution and eventually become powerful barriers to change. For this reason, they are highly politicized and attract a lot of management attention, despite being the least sexy studies a company might do. Changing them, will naturally be difficult.

The Case for Change

The case for changing trackers revolves around four questions:

- Are we (still) measuring the right thing?
- Are we (still) talking to the right people?
- Are the tools and techniques we are using (still) fit for purpose?
- Are we (still) managing the studies efficiently?

Are we measuring the right thing?

While the world is changing in unprecedented ways, companies still need to understand market share, brand awareness, competitive positioning, and advertising effectiveness. These metrics still matter!

What's becoming out of date, even obsolete in some cases, is how trackers measure the drivers of these metrics. Nobody would challenge the fact that media consumption has changed dramatically. Yet many of these same people aren't able to accommodate different devices when they test copy. Similarly, anyone with even a passing interest in the subject would agree that shopping behavior, particularly pre-purchase, is utterly different today than even five years ago. Yet there are plenty of studies which, by virtue of the questions they ask, imagine the customer journey as a simple linear process and ignore the many new ways in which people learn about unknown products.

THINK ABOUT IT

Does your tracker or normed study accurately reflect the way in which people use, purchase, or interact with your brand? If you are unsure, find a way to speak to the people on the front line.

Are we talking to the right people?

Do you work in an industry where you can afford to ignore people who now experience the Internet predominantly through their smartphones? Your answer to this will almost certainly be "no". Few industries and markets haven't been affected by the digital mobile revolution. But if you've answered "no" and your tracker isn't smartphone compatible, you're basically in the dark when it comes to understanding not just millennials, but even those in their thirties and forties who represent a sizable chunk of most markets.

The industry uses two terms when it talks about adapting surveys to smartphones. One is "mobile first", which speaks to designing surveys for the smartphone as the base case. There is a vast amount of high quality research on survey participation by device that illustrates, among other things, that the amount of attention respondents are prepared to pay is far less on phones than on desktop devices. The reasons have as much to do with respondents being on the go as they do the dull research experience.

THINK ABOUT IT

Does your tracker or normed study work on tablets or smartphones natively, with no annoying pinching or scrolling?

How long is it? Can people complete part of it, go away for a few minutes, and pick up where they left off?

Are you chronically short of people under 35, or are you otherwise forcing this natively mobile subpopulation to sit down in front of a big screen and thus missing out on the increasing numbers whose personal browsing occurs exclusively on a phone?

Do you ever look at the data and wonder why you're not seeing an expected market change? Or why the data are showing increased volatility despite consistent fielding practices?

The other term used is "device agnostic", which means that a study should work on any device. There is still a vast inventory of trackers that aren't either of these, which has created a death spiral of declining participation and respondent shortages for trackers. These studies are no longer representing markets accurately and they're really damaging panels.

Are our methods and techniques fit for purpose?

We say a survey is fit for purpose if it produces data that are relevant and reliable for making decisions. Operationally, this translates into having data that are sufficiently granular and measured frequently enough to be useful. It also refers to whether we're asking people questions they can answer accurately. These days, however, many wonder whether surveys are still the best way to find answers.

There has been an explosion of interest in innovative technologies and the exciting new data sources they produce. Big data, social media, neuroscience, virtual reality... they are causing companies to ask two interrelated questions:

- How can my brand benefit from these new techniques?
- How much of my research budget should I be spending on new techniques?

THINK ABOUT IT

What data is your study collecting?
Might there be opportunities to find this data elsewhere?

Like the incumbent in a political campaign, perhaps a respected elder statesman, survey research is forced to defend its record. It hasn't necessarily done anything wrong. Rather the challenger is evoking new and attractive ideas that make the incumbent look a bit long in the tooth.

In some cases, new data sources are overtaking traditional surveys. Passive data, for example, does a much better job of recording where a person has been online, than his or her memory. But big data techniques aren't necessarily representative. Like any method, these new techniques have their advantages and disadvantages.

There are, without a doubt, plenty of reasons to still say "yes" to surveys. But companies should be asking themselves what data they need to get from surveys and with what frequency these metrics need to be measured to get value. There may be opportunities to reduce collection and use the savings to explore new techniques.

Are we managing these studies efficiently?

Sample pulled by human operators, data coded by human analysts, tables programmed by human processors, PowerPoint templates updated by hand; these are the practices that have characterized the market research industry for decades. Research suppliers have built large operational departments (with equally sizeable costs) to perform these functions that are now obsolete. The entire production process can be fully automated.

Intrinsically, efficiency is not typically a reason for changing trackers unless the benefits become too big to ignore. Yet, this is exactly what is happening. Clients are finding that suitably granular tracking studies can be done with **samples that are more representative**, yield data of **equal, if not better, quality**, be fielded in a **fraction of the time**, and **save at least 25%** (in most cases, far more) by eliminating costly human operations. These savings can be taken to the bottom line, or, as many are doing, be redirected toward new methodologies. This is all great

THINK ABOUT IT

How much is your program costing you? Are you trying to find meaningful cost savings to reallocate your budget? How flexible has your provider been? Have you tried to gather information on what your program might cost elsewhere?



news for the buyer. The challenge, however, lies with the supplying firm, which, due to its legacy structure, will almost certainly be unable to make the economics work and will resort to scaremongering tactics. Research buyers are thus put in a terrible bind: to achieve these savings, they will need to switch providers, which would likely mean a break in trend.

Conclusion

There are two inescapable conclusions about tracking studies. One is that many (most) need to change as they are no longer providing relevant information about customers, the competition, and company performance. The other is that many of them haven't changed because the organizational costs of change are high for both buyers and suppliers.

A surprising number of tracker owners have convinced themselves that change can be put off for another year. This is a well-publicized fiction. Research participation, and thus the data from respondents, has been changing significantly for at least two years and the entire industry knows it. Your tracker is already being affected and you need to do something about it. The aim of this book is to help you understand how to manage this change thoughtfully and carefully. The alternative is undesirable.

We'll explain how to do this in the following chapters which we're releasing over the coming few weeks. Stay tuned for the next chapter: "The Project Plan".



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