



Fast-forwarding research

How Covid-19 has reset the
customer insight function

MRS Delphi Group



Contents

Foreword – Jane Frost, Chief Executive, MRS	1
Introduction	2
The business impact of Covid-19 on client organisations	3
The changing research environment	4
	5
	6
What does this mean for the research sector?	7
Conclusions	8
	9

About MRS Delphi Group

The MRS Delphi Group is led by a collection of respected thinkers in the marketing and research sectors. The Group delivers valuable insight across a range of important business, social and political issues.

The Steering Board includes: Colin Strong, Ipsos (chair), Gemma Proctor, Sparkler; Dr. Nick Baker, Savanta; Kevin Evans, Pepsico; Zoe Ruffels, GSK; Jake Steadman, Deliveroo; Rhea Fox, Aviva; Robert Kitching, Unilever; Jane Frost, CEO of MRS.

Foreword

Jane Frost, Chief Executive, MRS



In April 2020 the MRS editorial team noticed a remarkable spike in traffic concentrated around a news article on Research-live.com. Not only that, they were getting daily enquiries from agencies who wanted to be featured on that page.

The article, entitled '[Covid-19: Keeping track of attitudes and behaviours](#)' featured a rapidly increasing list of research projects charting the impact of the unfolding pandemic. At the time of writing the list has extended to 110 studies; and with more than 15,000 page views in just five months, it is the most popular article MRS has ever published.

So what's the significance of this? It's hardly surprising that every agency has undertaken some form of research in this area. But what do these studies – the methodologies applied, the sources examined, the questions explored – say about the state of the industry now and, more importantly, in the future?

We brought these questions to the MRS Delphi Group. Who better than our new chair, Colin Strong, Ipsos' Global Head of Behavioural Science, to take up the gauntlet and produce a paper of real practical value to the industry, at precisely the time that it needs it most?

And through their interviews with CMOs and industry leaders, what did the Group find? That the research function has been 'fast-forwarded'.

Amidst the explosion of studies and different approaches to understanding customer behaviour in the pandemic, there emerges in the analysis and interviews contained in this report, some clarity in terms of what clients want, and what agencies are delivering well. We also get an early glimpse of the outline of the sector to come.

Not only has the industry been fast-forwarded at a practical level, but the collective narrative of the sector has been strengthened in many areas. No longer an adjunct of marketing, evidence is being sought to support all aspects of a business' operations too.

Rising to the challenge of better, faster - and let's face it cheaper - we've also identified in this report a critical characteristic that we call 'agile judgement'. The challenge for agencies is to articulate, commercialise and bake this characteristic into their service delivery so that it is recognisable and (literally) valued by clients.

While no one would say the global pandemic has been anything but devastating for many at an individual, societal and economic level, the research sector has during this period re-established some of its strengths and identified some new ones on which to build a new future.

Thank you to all the people that contributed to this report, clients and agencies, and the members of the MRS Delphi Group for turning it around in the timeframes we have now come to expect as normal, but were previously deemed impossible.

Jane Frost CBE,
Chief Executive, MRS

Introduction

It is unlikely that anyone would disagree that we are at a defining point in human history. And as Yuval Noah Harari wrote in the FT in March this year, “Many short-term emergency measures will become a fixture of life.” While the focus of much of the Covid-19 media reporting has rightly been related to public health and ways to manage the spread of the virus, we also have started to see some very clear impacts on consumer behaviour (albeit the longer-term impact is yet to be understood.) We have also seen huge changes to the research industry, financially, culturally and logistically, both supplier and client side.

If we step back from the immediate challenges facing the consumer insights sector, what can we learn about the impact of Covid-19 for research and how it may shape us? Potentially for decades to come. The MRS Delphi Group set out to examine the issues by talking to a range of key decision makers, industry leaders and senior buyers of research.

The business impact of Covid-19 on client organisations

The impact of Covid-19 on the businesses we spoke to was rapid and significant. It was quickly apparent that carefully made business plans for 2020 were simply no longer relevant and that a fundamental re-appraisal needed to be made, requiring a great deal of time and focus:

"We had to re-plan the business in the middle of the crisis," says Rob Hattrell, MD UK eBay. "The entire sequencing of the plan was wrong and we're rethinking all of our investments. In the immediate term the plan doesn't make sense and the trade plans had to be started again. Everything you believe to be seasonally true is wrong. The playbook doesn't exist."

Another client reported: "As a business we have gone into a much shorter planning cycle. We are now setting quarterly targets for everything rather than annual; we have had to think short term as things are changing every day."

At the same time, according to Georgie White, Group Insights Director at BT, there has been a drive for agility and the need to respond very rapidly.

"Like most businesses," says White, "we were quick to react and adopt; we needed to get one hundred thousand employees working from home, help our customers with the transformations of their business and rapidly realign and evolve with the crisis".

One of the first responses to the crisis for many businesses has been to preserve cash, often in order to ensure business survival. For many organisations, payroll is a major source of the costs; while the furlough scheme mitigated layoffs for many employees, we are starting to see large scale lay-offs with many economists forecasting 1980's levels of unemployment.

As Ben Page, CEO of Ipsos suggests: "As the initial stages of the pandemic start to come to a close, the focus is shifting to the question of how to reopen, but also what does the recession mean for us? The answers to both of these vary dramatically depending on where you are in the economy."

"It is really important to understand how our customers are responding to changes, to make sure we can meet these evolving needs. There will likely be no single new normal."

Corrine Green, Senior Insights Manager, Vodafone

The changing research environment

History tells us that pandemics change the way we go about business; creating new business models (e.g. online fitness classes) or simply decimating an industry which in some cases was already operating on wafer thin margins (e.g. hospitality sector).

The impact of COVID-19 on the research industry is likely obvious to anyone reading the report, but it is worth summarising the points we observed in our conversations with decision makers:

Budget pressure is creating fundamental budget challenges

There have been very direct impacts on budget with some of those in client organisations reporting that their budgets have, in many instances, been seriously eroded. For example, one client in the sports category has unprecedented cuts of 50% in their budget, reflecting the difficult state of their industry. Meanwhile, others such as those in the tech sector have seen relatively little in the way of budget constraints- although they did report that they have had to become more flexible, supporting activities in the organisation in an agile way.

Nevertheless, Covid-19 has created a massive challenge for many who have had to make very tough decisions about what they spend and where they spend it. This pressure has of course filtered through to research agencies and has had a “swift and noticeable impact on our business” as one agency CEO reported. Whilst many agencies appear optimistic for a V-shaped recovery, there is little doubt that there will be significant casualties.

“All the prevailing industry dynamics such as the decline in traditional f2f focus groups, the demand for speedy AI and analytics, the explosion in online platforms, agile iterative service design processes, role of brand purpose, and growth in Communities, all converged at warp speed to create what we now are seeing as normal & expected from clients.”

John Robson, Founder, Sparkler, part of PA consulting

Impact on research methods has been comprehensive

The research industry has had to act very quickly. At the most extreme, face-to-face interviewing was suddenly halted in line with government regulations concerning social distancing. Other in-person research qualitative research such as focus groups or ethnographic fieldwork suddenly had to move online.

There is a lot of admiration and praise for agencies that have acted quickly to move methods online. And even though it is recognised that these methods are not necessarily new for the industry, the speed and agility by which this has been executed is well received. Nevertheless, the transition to new methods has not always been easy, with some finding that it took longer than they had hoped to assimilate the challenges and opportunities of methods that were new to them.

At the same time there has been excitement about the adoption of new tools. Some reported that online workshops (and facilitating tools such as digital white boards) in fact worked much more efficiently than expected, with people more likely to ensure all voices were heard versus an in-person meeting where those who talk loudest generally get more air-space.

The changing research environment

Not unexpectedly, there has also been big interest in scenario planning. As one of our interviewees put it: "Any business worth its salt now needs to see whether they're going to have a V-shaped recovery, a U-shaped recovery, or some kind of L-shaped scenario, and be ready for those different scenarios and look out for early signals of that change in consumption patterns."

Reporting on the pandemic

The research industry has a somewhat split role to play; it is clearly not immune from the effects of this sort of public health and economic catastrophe but at the same time it has a key role to play in commenting on it. No more is this evidenced than the [MRS directory of Covid-19 related activities](#) offered by the industry, which was by far the most visited location on the MRS website in history.

While it was generally recognised that there has been a huge effort by the industry to report on the impact of Covid-19 on the general population. Many of these studies were found to be hugely useful with some using innovative approaches to get to grips with different segments of society and deliver real insights. The strong offers were considered "well told" and often enabled client organisations to drive action on the back of them.

However, the enthusiastic response of the research industry also seemed to have resulted in an **over-supply**. One research buyer reported this was a "head-in-hands moment" as there were simply not enough buyers for what was provided. Alongside this there was variable quality accompanied by over-contacting (and often poorly prepared calls).

"I am still shocked by how low the bar sometimes can be. For me not one day goes by without being approached by an agency promising to solve everything while still talking about great methods, not business issues and performance. It's a little exhausting and I do not have time to respond."

Research buyer (anon.)

This has led buyers to **retreat from new contacts and rely on their trusted agencies**, One client told us: "We decided to work with all companies that we normally do, so anything they send we will read. Otherwise there is just too much stuff to take in."

An agency head told us: "That was not the industry at its finest, because the point is to be empathetic to your clients and think about their situation. Even though you may be desperate for money you will do better if you're empathetic to where the clients are and do more considered, strategic things. Trying to be helpful is the best thing for us to do."

Speed and agility

Perhaps it is not surprising that speed and agility are mentioned, after all there is a continuing demand for faster turnaround in research. Covid-19 has added to the pressure and the resulting uncertainty creating a need for more insight and understanding, not least to avoid getting things wrong. As one client put it "There is the need to be reactive and do things at the right time."

This has clearly put pressure on all those involved in research to deliver insights in a yet more agile and fast manner to meet these increased demands.

Risk

A theme which made a consistent appearance in all our conversations with clients was one of risk. There was a strong sense that the actions a client organisation takes with its customers now can have long term reverberations, with one client reporting: "Behaviour in this time will have a residual effect as time goes on. Customers want to feel that 'when we need you, then you are there for us'. What we do now will have longer term impact."

This is combined with uncertainty about how to act. As one client put it: "There is a lot of rabbit in headlights, no one even knows what to advertise." As such, there is a sense of a need for a very clear and careful understand of how things are changing and the different stages that any one market or sector is in. Both to get it right but also to avoid getting it wrong.

The changing research environment

Long-term trusted relationships

Trust in supplier relationships was a consistent theme in the client interviews we conducted. There was heartfelt sympathy for those in agencies and client-side who have lost jobs. There was also a concern that the long-term deep knowledge that had been acquired is in danger of being lost; **people that know the organisation and the issues were considered invaluable at this time.**

Another very practical factor that was flagged is that given the need for speed then the supplier needs to be in the management systems.

Many of the finance, procurement and legal teams have been hugely busy or possibly on furlough so there is a straightforward logistical challenge to onboarding new suppliers.

Clients would often report on focusing spend with their trusted partners to help maintain the working relationships, as they felt this was critical for their businesses.

What does this mean for the research sector?

Likely the findings above help to confirm for many what they are observing around them. Now what we need to do is to make sense of these findings and start to think about how to apply these learnings. We have identified four key themes that we consider critical:

1 The industry has risen to the challenge:

A general sense from the interviews was that the industry has been successful in keeping clients, media and society informed about the public mood, mindset and behaviours. As Ben Page put it: "That's been really important for both business and for governments so that people and decision makers aren't flying blind. The industry has shown that it can provide this, for a new problem, very, very rapidly. A public service in many ways."

2 Customer proximity is even more critical:

Almost all those we spoke to has experienced a huge increase in demand for insights to help understand the rapidly changing environment. There was a recognition that as we sit within our homes, often on video calls, the worlds of many users of researcher (as well as our own) have become much smaller. And while we get a peek into the lives of our colleagues, we are less likely to be working, socialising and travelling with wider segments of society. Understanding what is happening outside of our 'bubbles', why it is happening and what the lived experience is, has become increasingly pressing for companies which need to have this in speedy and agile manner.

3 We need the industry to be diverse and inclusive:

Covid-19 has shone a spotlight on the divisions in our society with ethnic minority communities suffering disproportionately. And it has also focused attention on the way in which we can easily fail to understand different groups in society. If the physical bubbles we are in now mean that we are struggling to understand other people generally, then what other bubbles are we living in? We can only address the needs of all members of society if they are properly represented within our sector. Many felt that despite efforts having been made, there was much work to be done. Fundamentally, we cannot understand the breadth and depth of consumers if the research sector (clients and suppliers) is largely mono-cultural.

4 Agile judgement:

We have seen the demand for more value/less time / more flexibility whilst at the same time trying to ensure longstanding deep relationships. Being in an era of intense uncertainty has meant that there is often simply not time to collect information as we might once have done. There remains a need for data to cut through the mass of speculation that we all encounter everyday, but the degree to which we have time to always collect the optimal data has been curtailed by timelines and budgets. As such there is a demand for ever greater reliance on the experience, judgement and expertise of people to be able to use data in an intelligent and wise manner. Part of this is inevitably the skills in the intelligent blending and triangulation of data sets, bringing coherence to a variety of sources.

Conclusions

Lorraine Daston, Director at the Max Planck Institute for the History of Science, recently suggested that Covid-19 has meant we are living in a period of radical novelty and radical uncertainty, which means we are thrown into a state of 'ground-zero empiricism'. As we struggle to make sense of a rapidly changing environment, we are much more reliant on 'chance observations, apparent correlations, and anecdotes that would ordinarily barely merit mention'.

In a sense, the huge influx of Covid-19 trackers was the collective response of the industry to do just this; and while perhaps not all were able to live up to rigorous standards, perhaps this is a different environment where we are reliant on "suggestive single cases, striking anomalies, partial patterns, correlations as yet too faint to withstand statistical scrutiny, what works and what doesn't." Many of us expect that at some point the current level of uncertainty will fall, but for now we are necessarily reliant on what can seem an alien style of action.

Of course, the robust work that has been done throughout the pandemic, continues against adversity to give us valuable insights. Here again the changes seen in the data give real insight and clues about how the real world is changing, with invaluable benchmarks against which change can be compared and better understood.

But what is needed more than ever is the expertise and judgement of people in our industry - to do the work of making sense of this data. Again, this is nothing new but has been given ever greater importance in an environment of constantly evolving business needs. There are no precedents that help us make sense of an unprecedented situation.

As the philosopher and educator John Dewey wrote: "A thinking being can...act on the basis of the absent and the future". In other words, we need thinkers that can operate in an environment of ground-zero empiricism. And these thinkers need to represent the society we are trying to make sense of. Ever more evidence suggests that our beliefs, far from being something that are independently acquired and maintained, are in fact the product of the social, cultural and political spheres in which we operate. **Diversity is therefore not simply an unquestionable right but is also something that is unquestionably needed** as we enter new and unchartered waters.

Sometimes expertise and thinking is considered to be mutually exclusive with speed. But in reality the opposite is surely true. As philosopher Alva Noe wrote: "The hallmark of expertise is its fluency; it is engaged and precisely nondeliberative." Just as an expert sports player does not need to think carefully about the mechanics of the task, for they have done it so often, it is possible to turn attention to the changes in our environment. Experts act swiftly having an engrained understanding of their field.

We need thinkers that can operate in an environment of ground-zero empiricism. And these thinkers need to represent the society we are trying to make sense of.

Conclusions

And the **speed of experts** is needed as we are operating in an environment which continues to change in unpredictable ways. As Matthew D'Anocona recently wrote: "It was always a mistake to imagine that the second wave – if it came – would only take epidemiological form...The truth is more subtle, and more unsettling." He encapsulates the point that Covid-19 is "transforming the landscape and accelerating change". And in a similar vein, as one of our interviewees said, as a species we're used to infectious diseases; the black plague killed half of Europe in the 14th century, with cities like Venice and London regularly losing half their populations. This has not proven to be anything like that. But we now need to build strategies for how we get through the recession.

"In a world of uncertainty and speculation, being able to have data points to tell you the issues that are faced, gives you the honest facts. We need a clear view of what we are dealing with and what needs to change. Crystal clear data points drive conversation and change."

Georgie White, Insight Director, BT

This report is not therefore attempting a retrospective of any ending, however painful it has been, to herald a new beginning. The truth is that we simply do not know what shape change is taking, and as we move towards huge markers such as massive calls for social justice and BLM, Brexit and the US elections, the reality is that we cannot predict.

But what we do know is that research is needed; we need data that is both collected routinely and consistently so we can place these changes in a historical context. We also need data that is necessarily light touch and in small sample sizes, so that we can find those indicative single cases, odd anomalies, partial patterns, and faint correlations.

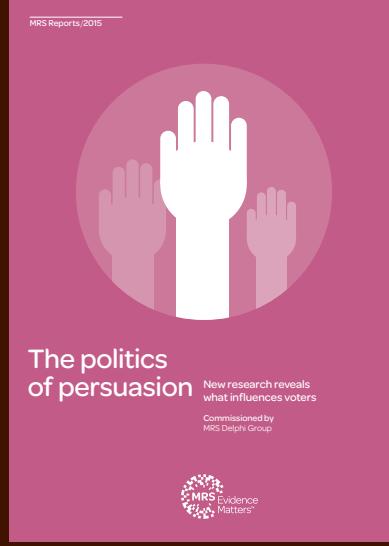
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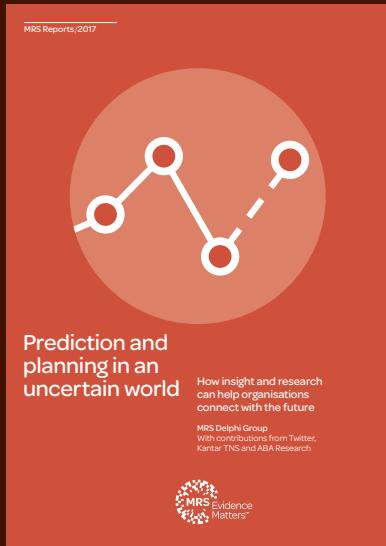
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