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Marketing Researchers

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Mind Gaps and the Market Research Myth: An Exclusive Interview with Philip Graves

By [Nancy Pekala](#)

Research surveys will soon be history and market research, at its core, is intrinsically flawed. These are but two insights that are the heart of what's wrong with the market research industry today, according to consumer behavior consultant and author [Philip Graves](#). In this exclusive interview with Marketing Researchers, Graves who is author of ["Consumer.ology: The Market Research Myth, the Truth about Consumers and the Psychology of Shopping."](#) shares his fascinating perspectives of what's wrong with market research today and how better companies can obtain consumer insights.

Marketing Researchers: *Your book has set tongues wagging in the market research community about your assertion that research surveys will soon be history. Specifically you state that "In 20 or 30 years, we will look back with genuine embarrassment at what we currently do. We'll look back on this period of market research---where we've been seduced by this illusion that we can ask people what they think and learn from it---and we'll try to erase it from history." That's a powerful statement. Can you expound on what you meant?*

Philip Graves: Over the last 50 years or so we've seen a massively increasing amount of market research. The vast majority of that was focused on the idea that I can ask somebody what they think and what they tell me will be fundamentally true and useful as an insight.

You get into degrees of the extent to which something is interpreted in a qualitative setting. There is a fundamental problem with those approaches. It's something I refer to as the "mind gap" Our unconscious mind is far more involved in our behavior as consumers than we realize and we have no direct access to that through our conscious mind. We have an awful lot of evidence coming out of economics, psychology and neuroscience which shows people are really not very good witnesses to their behavior. The amount of detail asked in questions doesn't really overcome that fundamental problem. It's compounded by the fact the unconscious mind is very heavily influenced by the things market research does.

MR: *Your premise is that market research is intrinsically flawed because people aren't very good at describing why they do what they do or at predicting their future behaviors. Instead, you suggest that the key to understanding consumer behavior is by observing actual behavior and in context. Is this true of all product categories and is this truly doable?*



Graves: It's sometimes very difficult to do. In my book I provide a framework for looking at the degrees of the validity you might be able to get to in terms of psychological confidence in the research that you're conducting, which I think is far more fundamentally important than statistical confidence.

Fundamentally, behavior is truth. So if you covertly see somebody doing something, or if you have data based on what humans have actually done, it is a useful factual reference point and a much better place to start from. It's very important to understand the factual basis of that than it is to go and look at survey data that is based on what people have said.

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It comes down to the numbers. It feels like a number, it feels like a statistic, it feels tangible. In fact, it's based on a mental process we shouldn't be depending on to inform our decision making.

MR: *Part of what an effective market researcher does is to understand what the right questions are to ask and the way in which to ask them. Could it be that there are just a lot of bad surveys out there, thanks in part, to deep cuts in research budgets and a plethora of do-it-yourself survey tools that are now available?*

Graves: That's undoubtedly true. There's an awful lot of bad research. It's an excuse market research leans on too readily when the research ends up being proven to be flawed. In the passage of time we learn the results were not valid. Either somebody launches the product and goes on to be successful when market research says it wouldn't be or else they don't launch and somebody brings out the idea and that ultimately is successful, whatever the benchmark may be.

But the reality is that it has to do with the way people's brains work. It's not a matter of opinion; it's a matter of empirical, demonstrable scientific fact. There is no good question very often. In most cases, the question is not the good root to understand what is going on in the brain. The idea that a skilled researcher can design a question, for example, that will gauge whether or not someone will like a new product when that assessment is taken out of the context in which it will be responded to is fanciful. There is no good question to do that.

MR: *You spend some time discussing how the traditional survey tool is ineffective. What about other tools in the researcher's toolbox, including online panels and MROCs?*

Graves: This plays to the heart, again, of broad consumer trends. What are we interested in? We're interested in convenience and utility over quality very often.

A lot of the research techniques that have come to the fore provide what I classify as convenient consensus. People are happy to take that kind of information quickly and let it influence their own decision making. They look at the precarious nature of those numbers. They really would do well to feel a lot less certain about the information they are getting.

MR: *In your book, you discuss the AFECT approach as a way of evaluating the reliability of consumer insight. Can you explain this approach and how it works?*

Graves: I'm pragmatic enough to know it's going to take some time for organizations – though there are some who are already doing it - to acknowledge the frailties of market research. I thought what would be helpful for them, and for researchers, would be to put together a framework that would enable people to look at an existing piece of consumer insight in terms of the psychological validity of the answers they are getting. For the moment, all the data tends to take on a life of their own. Once the survey is over, it goes to the board room, goes out to the executives and it tends to be treated as fact.

Using these five criteria (see chart), you can analyze customer insights in terms of, "How confident can I be in my decision that this is good data?" Take, for example, a recent financial services client that conducted 20 focus groups only to realize they couldn't trust a thing they were hearing. Though it was a painful decision, they abandoned the focus groups.

AFECT: 5 Criteria for Analyzing Consumer Insight Reliability

- **A** is for analysis of behavior. Ultimately behavioral data is the best place to be. Some behavioral data is better than others, depending on whether the behavior was covertly observed or whether the behavior was recorded out of context.
- **F** is for what frame of mind people are in when responding to the issue. We are capable of reacting entirely differently if we are in a different frame of mind. It's the reason we go on vacation, bring back the sombrero, thinking it's the best thing in the world while a couple of weeks later, we can't figure out why we bought it.
- **E** is for environment. We know that human beings are hugely influenced by environmental factors at an unconscious level. You can change something in the environment that people would never believe would influence what they buy, such as background music or a very faint smell, and it could affect how they respond to products or their purchase decisions. The environment what existed when the research was conducted is a huge and significant factor.
- **C** is for 'Is it covert?' As soon as I direct your attention to something, I'm likely to cause you to consider it at the conscious level and therefore lead you in one direction or another. As a result, what I'm going to get is a byproduct of the wrong part of your brain, depending on what the issue is.
- **T** is for timeframe. If you have, for example, a fascinating consumer good product that people routinely buy as they walk down the aisle, pick it up in the blink of an eye and place in their basket, it makes no sense at all to spend 90 minutes analyzing that purchase or discussing that purchase with them in a focus group. The amount of time they interact with that product will reflect to a large degree the mental processes that are behind their involvement with it. As soon as you start to move away from that timeframe, the chances are you are moving away from reality.

The client asked, 'Is there anything we could get out of this project that we just spent 40,000 pounds (US \$65,000+) or so on'? Frankly, there was very little. On an AFECT basis, there was nothing there to have confidence in. The project was then driven forward in a way the client was much more comfortable with that fit his intuitive feeling about the validity of the read he was getting.

Because it was a new product, we weren't able to get a perfectly psychologically valid approach. But we could look at elements of it and say 'Well we can test this' and 'I can't tell you it's going to be a success but I can tell you that, out of these options, this one is more attractive in this particular context'. Had the client taken the original data at face value and trusted it as being valid, they would have ended up in a completely different place and it would have been a disaster for business.

MR: *Your book is filled with great anecdotes about market research failures that support your position. You cite the case of Red Bull, which sold more than 3 billion cans of the drink by 2006, yet Red Bull researchers concluded after rigorous testing that "no other product had ever performed so poorly in consumer testing." Are Red Bull and other examples you cite the exception? Aren't there just as many instances where market research drove solid product and business decisions?*

Graves: There are lots of ways to answer this. If you read your horoscope, it's going to be right some of the time because of chance. From a scientific point of view, it's not acceptable to say that 'Market research has worked in this instance, therefore market research works per se.' By the same token, it wouldn't be reasonable to take one example where market research hasn't worked and say market research doesn't work at all.

What is interesting is to look behind those accounts where market research quite clearly failed. It's generally not in people's interest to report when market research doesn't work. Generally speaking, a lot of research that is wrong kills off an idea before it gets to market; no one gets to hear about it, we never get to find out if it was right or wrong. Other times, an idea gets pushed to one side, people do something else or something else happens and they discount it in their minds.

There is much to be learned by looking in detail psychologically at those occasions where we know research was wide at the mark. What you find when you look at those examples is that it doesn't have anything to do with the nuance of the research, (such as the sample might not have been right or the question could have been phrased better) but rather it's something much more fundamental than that. In the case of Red Bull, it had to do with a whole lot of contextual associations that drove that brand to create a position where it didn't matter that it didn't taste brilliant.

It didn't matter that Red Bull, considered in isolation, is perhaps not the most wonderful drink. Of course there will be people who drink it and tell themselves they like it and they will generally believe they like it because that's the way the brain works.

There's a great experiment that was done in British Columbia, called the Love on the Bridge experiment, where male students asked an attractive female researcher out, on the basis they liked her and found her attractive. But from the way the experiment was designed, it was determined the reason for their behavior was because the male students were put into a precarious position on a bridge where the anxiety, the adrenaline, the edginess they were feeling was misattributed to the girl. There were far more students who were on the wobbly bridge who asked the girl out than those in the control condition.

The stories we tell ourselves about why we like things and the way we post-rationalize it, (for example, someone saying 'Red Bull is a master brand and they love the taste.') is far from a simple picture. Market research taste testing creates this very artificial focus and strips things away from their context. The result is that you end up obtaining a completely arbitrary reading of people's response to the product.

MR: *Are there reasons associated with how the research industry is organized today that is contributing to these challenges you cite?*

Graves: There are aspects of that. But I think the problems are much more fundamental. The counter-argument to my position is that there's so much market research being done that, of course, it must work. Well, people have a long track record of believing in things because it suits them to believe in it.

A lot of the reasons consumers do particular things are evidenced in why people buy market research. The reasons are fundamental to our desire to minimize risk, to believe there is a way to get more reassurance about a decision. We feel comfortable that we got that reassurance, whether it is genuine or not.

You can look at it and say the boom in online surveys is bad news because all the questions involve priming respondents. The mindset is far removed very often from the mindset of the consumer. Those are relatively incidental problems because they imply that by taking away that problem and having an open ended question that you're somehow better off. But you've thrown up another set of influences and bias and distortions and priming. You've got a whole other set of issues. While there are a lot of people with a vested interest in saying the solution is a particular form of research of asking questions or a particular approach to doing it, if you look at the psychology and the evidence they all are beset with their own problems. Clearly, the solution lies elsewhere.

MR: *Music mogul and Idol maker Simon Cowell has famously said that "research kills creativity." Is research really the enemy of creativity?*

Graves: It's always common for these debates to get pulled into a kind of dichotomy and things are polarized as being one thing or the other. Inevitably, the situation is a bit more complex than that. However, my short answer would be 'Yes. Research is an absolute killer of creativity.'

The problem comes down to consensus. I have no issue at all with any amount of talking to consumers, of going out and getting to know them or even getting them together and letting them talk to each other. Where it goes wrong is when you allow the prevailing view, the consensus view, to take on some degree of validity that doesn't pay attention to the problems inherent in the process that formed it.

For example, if I was an advertising creative and I pulled together a bunch of consumers to have a conversation and one of them said something that connects to my associations, my vision, my understanding and my expertise about how to communicate the product and bring it to life, it's the sort of thing that entrepreneurs and creative people do all the time. That's absolutely fine. The point where research starts to kill creativity is when it takes something out of context, puts it in front of the group of consumers and takes the responses it gets back as some kind of objective measure of reality when, for all the reasons we discussed--context, framing and priming--it will be nothing of the sort.

In the vast majority of cases, when research gets involved in creative, it is at the wrong point in the process. Gleaming things from consumers is absolutely fine but there is not an objectively measureable process for gauging creativity. Too often research is, for understandable reasons, trying to provide safeguards, trying to reassure, trying to help make executives feel better about decisions they've got to make. But if you look at examples of very successful products and campaigns that were launched despite what research said, you

will very quickly appreciate that there is just as big a risk of research killing off a good idea as there is of it approving one.

Personally I would want the more reliable and valid barometer to take forward when I was developing creative ideas and the one I want to refine and work on was my own judgment. And you will only get that when you accept that you made a decision, you made it as well as you can and then stand back and learn from it. Unfortunately, when you put research into that process, it brings in with it a false piece of information very often to which weights are attached. As a result, it makes it very hard for organizations to learn from their own mistakes.

MR: *Where does the market research industry go from here? What will be the overriding role of market researchers?*

Graves: The market research industry is going to come under increasing scrutiny. It's interesting to me that, for a business discipline so involved in metrics, measurement and analysis, it really has not done a very good job of analyzing itself, its own approaches and its own value in terms of what it brings to the business.

My view is everybody is pretty much a research skeptic. There are times when it suits them to believe what research is telling them. There are other times when they look back and there will have been research conclusions they decided to push to one side or to ignore, to some extent or another. As is the case with most faith-based belief systems, you tend to find they get chipped away at and a movement starts to build where people start to become more skeptical of them. That's what will happen with market research. Academics will increasingly focus on the value and benefits of alternative approaches.

What we will see from market research companies is lots of scrambling around to bring in new techniques to propose they've got a new way of doing things. To some extent that's been going on for the last 10-20 years. But it's still a little bit like smoke and mirrors and just more of the same. It doesn't address the fundamental issues but keeps people's eyes off the real issues. A company is still sitting there with a brand tracker that's never correlated very well with sales figures or with a customer experience monitor that doesn't seem to link to actual levels of loyalty and new purchases.

Increasingly, skepticism will be brought to the fore, a healthy skepticism, and companies will start to realize they have more to gain by reviewing their approach to market research. If you look at some of those companies that have a very different stance on market research, they are conspicuous by their success at the moment.

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