



Who Owns the Research Function? Challenges and Changes

By [Nancy Pekala](#)

Competition for today's researchers is heating up. It's not coming just from the usual suspects either. In addition to external consultants and specialists organization researchers have always had to contend with, new competitors have emerged in the form of online methodologies, do-it-yourself (DIY) tools and even non-researcher colleagues down the hall. While nothing new, these factors are leading to other trends including the overall decentralization of the research function within organizations, the practice of displacing large-scale custom research with secondary research such as econometric analysis and panel work, and a clear delineation between the research and insights functions. [Marketing Researchers](#) asked both qualitative and quantitative researchers to weigh in on these trends and here's some of what they had to say.

Susan Thornhill, president of Hermosa Beach, CA-based [Thornhill Associates](#) and president of the Qualitative Research Consultants Association, suggested that the approach some organizations are taking to resource research projects outside of a formal research department is nothing new. "This is just part of the evolution in the industry," she said. "What's really driving this is cost, the potential to save money. As researchers, our age-old concern is that it becomes an issue of 'garbage in, garbage out'. Companies opting to do research themselves without the assistance of professional researchers may bring bias into the process and do not gain the benefit of third-party objective insights."

Thornhill stressed that "You can't get insights without research but you can get research without insights. Research can be just data without strategic analysis of what that means."

That's why it's important that today's researchers pursue a deep knowledge of new methodologies and tools. "With the help of these tools, professional researchers can bring added value through strategic insights that are truly valuable and actionable," Thornhill said. "To obtain meaningful research, you still need professional researchers using the proper methodologies and asking the right questions."

Victor Crain, Partner, [Crain Associates Research LLC](#), said it is not uncommon for research to be conducted outside the view of a central research group or for companies to go through periods of decentralization and recentralization. "Microsoft at one point completely eliminated its central research function," he noted. "HP has practiced extreme decentralization. If departments at Unisys wanted research for promotional purposes, they would often go directly to industry consultants. "

He added, in late 1980s, “rogue” studies were being conducted at Unisys, “In those days, client departments would hire a research contractor, send a questionnaire out via e-mail and mount a hardcopy study using sales people to deliver questionnaires or via mail. When research firms tried to corral these loose studies, the corporate response was, in some cases, to break up the central research group, distributing people to the departments and pushing all research into user departments. This is still the case in many companies.”

In terms of the kinds of innovation in research methodologies that are often being discussed today, Crain said “executives want an answer for a business decision and don’t care whether the method is innovative or not. I suspect there’s a bias against innovative as they want to know they can trust the information they are getting.”

Aside from changes in the structure of the research function within today’s organizations, Crain noted another trend is emerging involving the displacement of large-scale custom research by a combination of panel and econometric analysis. “There are several industries, such as energy, in which secondary analysis of data is replacing traditional large scale surveys.”

Kathryn Korostoff, founder and president of [Research Rockstar](#), suggests that while she doesn’t believe more secondary research is being done instead of large-scale custom research, the perception might exist because there are now so many different sources of secondary research available.

“There are a plethora of secondary resources to tap into,” she said. “You can go to any aggregated website and find any number of published reports on a subject ranging in price from \$2,000 to \$10,000.”

One of Korostoff’s favorite go-to resources is a business librarian who can provide resources on databases and trend reports on just about any vertical industry you need.

Ian Straus, a market research specialist at [VIA Metropolitan Transit](#), acknowledged that within his organization, there’s a revolving door between planning and consulting. “We tend to over-use consultants because heads of Planning tend to have a short half-life, so it’s advantageous for them to generate favor points with consultants, to be redeemed after the door revolves again. “

Paul Tuchman, an independent qualitative researcher and president of Minneapolis-based Outsmart Marketing, agreed that while not a new phenomenon, the pendulum seems to be swinging back to organizations no longer depending on internal research departments. “Many of the companies I work with no longer have formal research departments or professional researchers within their organizations,” Tuchman explained. “During the last few years, companies have been focusing more on insights internally and utilizing outside vendors to conduct research.”

Tuchman added that the change occurred because companies which thought it would be cheaper to perform research in-house found that not only was an inordinate amount of staff time being spent on conducting focus groups rather than obtaining insights, but that the research being conducted did not always lead to the best results.

“Today, researchers are finding they need to provide more information and insights and hold people’s hands more,” Tuchman explained. “Clients value the experience and expertise of

professional researchers. More organizations are dividing the function into those who find the information and those responsible for translating the data into actionable insights.”

He also suggested when compared to a decade ago, more time is being spent upfront defining the objectives of the project so the results will be actionable and practical. “It’s more work for everybody but it’s been a plus,” he said. “In some ways, it’s more fun. It used to be that a lot of questions went unasked and unanswered. Now everyone’s on the same page.”

To succeed in this changing research environment, Tuchman said researchers “need to be ahead of the curve, anticipate decisions to be made and challenges on the horizon and what research will be needed to make a better decision rather than waiting for the phone to ring. You need to anticipate what the finish line will look like and map out a course of action to get there.” Tuchman added, “In these tough economic times, companies are getting good insights and will continue to fund those functions. They know it’s more important to listen to customers and consumers.”

Jeffrey Kaufman, Group Manager of Consumer Insights at [Avery Office and Consumer Products](#) and a member of the AMA’s Marketing Research Council, acknowledged that while within his organization other functions have taken advantage of DIY tools such as Survey Monkey for internal survey purposes, the consumer insights group is often contacted to provide advice on questionnaire development, analysis and sampling. “For example, someone in purchasing who led a survey for attendees of a major charity event consulted me about what makes a sample ‘statistically significant’,” Kaufman said. “I provided advice and counsel on the concept of representativeness—that is, how large and diverse a sample needs to be in order to be considered reliable.”

Overall, Kaufman said that as long as the Consumer Insights group continues to add strategic value, internal teams are reluctant to conduct research on their own.

Juan Carlos Adame, Senior Marketing Consultant at [Roheisen](#) argued that “insight and feedback can come from different places and through different departments without it being a real problem. Our role as researchers is to insure that the source and quality of the data is the correct one and to analyze the information so the client (or our own company) can use it to benefit, develop new strategies and obtain true insights from the market.”

Adame added, “The real challenge is how researchers take advantage of new technologies and the openness of other departments to contribute and be a data supply for us.”

Ian Davidson, Director at [FlyResearch](#), a UK-based research firm, agreed that in today’s environment, researchers should educate themselves on new methodologies before they position themselves as leaders. “It will be hard for researchers and the research industry to try to hold and control all the territory in the ‘insight space’, but as long as we retain expert status and are the best at what we do, I suspect we can live with the growing DIY sector. Many people paint their own house, but there’s still demand for professional painters.”

DIY tools have changed the mindset of some organizations in who can own the research function. **Jonathan Hutter**, Managing Principal, Account Planning & Media at [Garrand](#), a Portland-based full-service agency, noted that the increased accessibility of do-it-yourself tools has led to other functional areas believing they can dabble in research. “After all,” Hutter suggested the thinking is, “if they make these tools, it must be so easy even a caveman can do it. Your best defense is to show the value and expertise required to properly conduct research

within your own work (that will take you further than poking holes in other people's work). That would include showing the value of the rigor of proper research.

Research Rockstar's **Korostoff** also noted that as the research industry evolves, it is important to evaluate how research is getting done using new and innovative methodologies. "My real concern is that when you look at case studies of clients that are doing the really cool stuff, like prediction market analysis and social media research, they're being done outside the research department," Korostoff said. "They're not being considered traditional research but rather as a new form of customer insight. As a result, they're not being applied with the same objectivity and vigilance that researchers would use."

"If I'm correct about this, the idea that the cool new things are being done outside of market research doesn't bode well for the future of marketing research," Korostoff suggested. "Researchers will increasingly be relegated to doing focus groups."

In order to change this direction, Korostoff suggested that it will be important to evaluate the relationship between strategy and structure. "In many cases, you've got this new strategy but organizations are still structured like their old company. Structure has to keep up with new research strategies."

She added that a key element of this issue is defining who owns the role of interpreting the data within organizations. The line between research and consumer insights must be better understood.

[Nancy Pekala](#) is the AMA's Senior Director of Online Content and Editor of Marketing Researchers. Continue the conversation about current challenges and trends for researchers in the Marketing Researchers Group in [AMAConnect](#), the AMA's online community exclusively for marketing professionals. Follow us on Twitter [@marketing_power](#).