

**Why market research gives wrong results - Futurist Keynote Speaker on marketing trends.**

**Don't believe market research – it can't predict the future. Market research only tells us about today. It tells us nothing about tomorrow. Customers usually know even less about the future than the executives who have paid to ask them.**

[youtube:<http://uk.youtube.com/watch?v=9gUJ5UBw2n8> auto]

Many companies will not survive in the new millennium because they are relying on old surveys to plan third millennial products and services. They will land up with the wrong products, designed for consumers who no longer exist.

Future of Marketing Article published Sunday Telegraph 1/11/98 but the problems with market research are just as great in 2022. Judge for yourself...

Most people see the future as more of the same: faster computers, better cars, more TV channels. They can't see the big picture - how life itself will change.

A classic example is aircraft design. In the mid 1990s airlines such as British Airways asked business fliers what they wanted and they said good food and wine, comfortable seats, more video choices and personal screens. Hardly anyone mentioned data sockets on satellite phones, and even fewer asked for power supplies in arm rests so they could use PCs without clusters of spare batteries. Now these things are regarded as number one essentials for any world class airline - but it's too late. They won't be widely available on BA flights until well into the next millennium.

This was a hugely expensive mistake. According to Primex, makers of 82% of all in-seat power systems, installation costs \$1,000 a seat, but after delivery there is an additional cost of up to \$1,000 a day per seat in lost revenue while aircraft are sitting in a hanger. Today British Airways has business seats offering data phone sockets to frustrated and angry executives with dead portables.

[Need a world-class market research keynote speaker? Phone Patrick Dixon now or email .](#)

Those with longer range vision have won a competitive advantage. Over 1,700 aircraft world-wide already have in-seat power, not one owned by BA. Delta introduced it in 1996 and is rapidly extending this across its fleet. Lufthansa has power in all new first class seats and is upgrading business class. But American Airlines is leading them all after a delayed start. Retrofitting is complete on all its Airbus aircraft. Power will soon be available on all business class and half their economy seats. Code-sharing airlines are now under pressure to make sure travellers stepping out of a powered seat with one partner airline can continue their journey with the same facilities.

So what went wrong? Airline chiefs trusted market research and lost sight of the future. Fundamental changes were taking place in three areas. E-mail replaced fax and people began to expect near-instant answers. Last minute interactive presentations on PowerPoint replaced dusty overheads. Heavier flying schedules meant that many executives were forced to give up in-flight leisure time to catch up on work. Laptops appeared everywhere in departure lounges and during flights.

There is nothing more annoying than being forced to stop urgent work less than three hours into a seven hour flight. What's the point of a data socket when you have no power? Instant access to e-mail is absolutely essential in a world where responding in an hour can make all the difference between signing or losing a multimillion pound deal. It also means you can get vital reports out of the plane seconds after completion at 33,000 feet.

The trouble is that behaviour is changing far faster than lead times for new products and services, and the gap is getting worse. That means market research will be even more useless for future-casting beyond 2000 than it has been over the last decade.

Another example where market research got the future wrong is banking. In 1996 most CEOs of large banks dismissed the Internet as an irrelevance, a plaything of enthusiasts with no real impact on future profitability. Market research strongly confirmed their scepticism. The overwhelming majority of customers said they weren't interested in using the Internet to run their bank accounts.

But since when have the general public been experts in global technology and financial services trends? How could they possibly be expected to form an opinion about web banking when most still doubted their need to be on-line?

Time and again we see this institutional blindness, compounded by dangerously misleading survey results. Two years later many account holders were already buying goods and services over the net. They changed their minds faster than market research predicted, and as a direct result banks are struggling to catch up. But it's already far too late for some, as non-banking competitors race ahead with a wide range of well developed digital products and alliances.

Another example has been the London Liffe Market alliance with Frankfurt announced in July, precipitated by the sudden loss of the Bund contract. British soundings from the market had

suggested that London's position would be reasonably secure, although with strong competitive pressures. Then came Frankfurt's new electronic trading system and dealers rapidly changed their minds, switching business almost overnight and leaving Liffe so vulnerable that the only way to survive was to combine into a new "LonFurt" exchange.

General Paul Arlman, Chairman of the Federation of European Stock Exchanges says the new alliance is so powerful that it "will have an impact on the entire European market", possibly leading to one European Exchange. This whole process has been precipitated by many factors, but one was undoubtedly the failure by London to recognise that polls don't predict the future. People change their minds when they catch a taste of tomorrow.

So what's the answer? The next decade will see mega-shifts as we turn our backs on a previous decade's values, as well as on a whole century and a millennium. Every decade has its character, music, fashion, architecture and culture. The 60s, 70s, and 80s were unique and distinct. Each a reaction against the past. But the 2000s is not just another decade nor the 21st century just another century. These mega-changes in habits and attitudes will defeat companies that have based early 2000s products on late 1990s consumer views.

Survivors will be future-thinkers: companies that see six months to two years further than competitors. That means early warning systems, able to distinguish a faint blip on the horizon from background noise. It means taking a bigger, wider view, an integrated approach. It means parallel planning, preparing for fast response to a variety of outcomes.

Companies need visionary [leadership](#), management skills are not enough. What's the point of managing people and products superbly well but in the wrong direction? Visionaries in large organisations are often marginalised because by definition they are constantly challenging assumptions about the future. But a board without vision is a dead board. Find those with vision, give them a voice. Bring in fresh independent vision from outside to protect against corporate blindness.

So then is there any point in market research at all? Listening to consumers will always be very important, to understand shorter term issues that need addressing now. Changes in survey results over time also give a valuable indication of trend. Market research is vital to fine-tune existing services, but as we have seen, over-reliance is deadly.

[Need a world-class market research keynote speaker? Phone Patrick Dixon now or email .](#)