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The future of market research: A nudge in the right direction

by

Abstract: Prices ending in 99c and extended payment plans are both examples of how marketers have instinctively been taking advantage of behavioural economics – long before the term has even officially been coined and turned into a science. These days, not only marketing and advertising sectors are beginning to embrace behavioural economics more formally, but even the US and British governments are giving it a central place in policy initiatives. But what is it, how does it fit in with modern day research thinking and how can we use it to improve our approaches? **(92 words)**

Keywords: behavioural economics, irrational decision making, loss-aversion, decision environment

1. Introduction

1.1 Why it is time for the market research industry to change (Background and rationale for research)

In a recent article by Eric Tsytsylin (2012), Senior Consultant at Millward Brown Optimor, he calls for the market research industry to redefine itself: "In fields as diverse as medicine, physics, and archaeology, researchers are gods. From their tireless curiosity and investigation stem breakthrough cures and innovations, and answers to 'big' questions like where we come from and the possibilities of where we can go. Yet in the context of brands and marketing, this idolatry is decaying. *Market researchers are increasingly viewed as backwards-looking, closed-minded number crunchers*."

He is not alone in his view. Numerous sources paint a disturbing picture about how market research is performing (or not) against the growing need for consumer insights to inform and influence business decisions. Dissatisfaction on the performance of market research is voiced by clients and market researchers alike.

A general internet search on the term "market research" is bound to deliver article titles such as: "*How can market research regain its mojo*?", *"[r]esearch industry not changing fast enough for business*", "*[w]hy the market research industry needs to change*", "*[i]t is time for market research to join the 21st century*", "*[h]as the market research industry missed the train*?" and "*[t]he death of market research*."

As a first reaction, the authors of these articles can be labelled as "doom prophets". It turns out (as our results will show) that market researchers and clients in South Africa seem to agree – thus providing enough evidence to start a meaningful conversation about the future of market research.

In our opinion, the industry needs to change in two fundamental ways in order to ensure its relevance in the future.

Firstly, market researchers need to become **agents of change**. For too long the focus has been on measurement rather than delivering insight. As an industry, we are really good at reporting what people did. Unfortunately, this rarely inspires change. Understanding what happened in the past might help to understand mistakes, but in order to provide the type of intelligence that inspires change we need to become more forward looking.

According to Stan Sthanunathan (in an article by Henning, 2011), vice president of marketing strategy and insights for Coca-Cola, up to 80% of research budgets are spent on "rear-view research". He suggests that there should be a shift towards spending 50% on "forward looking" insights. As he puts it, the research industry "must shift from quantifying the expected to listening for the unexpected."

This means, in an attempt to remain relevant, we will need new techniques that allow us to truly listen and observe in ways we have not done in the past. This is the second fundamental change. Market researchers need to embrace emerging technologies and **incorporate new methodologies** into our practices.

Clients are drowning in a flood of data (survey data, sales data, complaints data, social media "data", etc.) and therefore they are relying on research suppliers more and more - to not only aggregate all this data and extract information faster and more efficiently from it, but then also to make sense of it in a way that will enable them to make better decisions.

The common thread between these two fundamental changes is the need to move beyond knowing which decisions consumers are making, **towards understanding the underlying behaviour that drives their decision-making** – hence introducing the concept of "behavioural economics".

The objectives of this research paper are two-fold:

- To define the concept and understand the role of "behavioural economics" - with specific reference to the market research environment;
- To present the results of a quantitative measurement of awareness, perception and application of behavioural economics amongst research clients and market researchers in South Africa.

1.2 Previous research and literature review

A collection of previous research and literature are summarised and briefly discussed under the following sub-titles:

- Introduction to behavioural economics
- Implications for the market research industry
- Criticism towards behavioural economics

1.2.1 Introduction to behavioural economics

Behavioural economists do not only believe that it is appropriate to talk about concepts such as beliefs, emotions, and heuristics; they believe these entities are at least partly responsible for the production of human behaviour. As a result, behavioural economists believe that a deeper understanding of the former can help us better explain and predict the latter.

Also, unlike traditional economics, it takes into account that people rarely make decisions rationally. Standard neoclassical economic analysis assumes that humans are rational and behave in a way to maximise their individual self-interest.

In an article by John Ettorre (2011), he highlights the history of behavioural economics and outlines it as follows:

"*Although Adam Smith noted the limits of reason in economic activity more than 200 years ago in his seminal book The Wealth of Nations (first published in 1776), the field of behavioural economics traces its early roots to the 1940s, when the theorist (and later Nobel laureate) Herbert Simon began seriously challenging the rational markets theory. But the theory's prominence really blossomed about a decade ago, with the publication in 2000 of Irrational Exuberance, by Yale University economist Robert Shiller, which introduced the subject of behavioural economics to the broader public. Two years later, economist Daniel Kahneman was awarded the 2002 Nobel Prize in economics for his work in behavioural economics. The niche has flourished ever since*."

The recent interest in the subject is proven by the popularity of behavioural economists' books that continue to top non-fiction bestseller lists. These include, amongst others:

- **Freakonomics** by Steven D. Levitt and Stephen J. Dubner (William Morrow, 2006);
- **Blink: The Power of Thinking Without Thinking** by Malcolm Gladwell (Back Bay Books, 2007);

- **Predictably Irrational: The Hidden Forces That Shape Our Decisions** by Dan Ariely (HarperCollins, 2008);
- **Nudge: Improving Decisions About Health, Wealth, and Happiness** by Richard H. Thaler and Cass R. Sunstein (Penguin, 2009); and
- **Thinking Fast & Slow** by Daniel Kahneman (Allen Lane, 2011)

However, behavioural economics is not a topic only discussed in "popular" literature, as proved by the foundation in 1972 of the Journal of Behavioural Economics with the intention to "(1) further knowledge of real world economic phenomena by integrating psychological and sociological variables into economic analysis and (2) promote interdisciplinary work"; in 1974 of the Journal of Consumer Research, and in 1982 of the Society for the Advancement of Behavioural Economics (Angner and Loewenstein, 2010).

One of the key contributors who helped accelerate the awareness and acceptance of behavioural economics among mainstream economists was Thaler (1992) through his 'Anomalies' columns published in the widely distributed Journal of Economic Perspectives and collected in The Winner's Curse. The fact that Thaler spent so much time spelling out the implications of behavioural decision research certainly helped bring the relevance of these developments home to economists and other social scientists with an interest in economic decisions.

1.2.2 Implications for the market research industry

Traditional market research is focused on measuring attitudes, intentions and beliefs by directly asking about them. However, these measures are constrained in the sense that they rely on respondents' conscious thoughts and deliberation, which are not always effective at determining what people feel and predicting how they will act.

There is increasing evidence from behavioural economics that people are often irrational in their decision making. By implication there is a definite gap between what people say and what they actually end up doing.

> *"The trouble with market research is that people don't think how they feel, they don't say what they think and they don't do what they say."*

Considering this quote by David Ogilvy (BBC interview by Sakr, 2011), often referred to as the Don of Advertising, this means we, as market researchers, can fail our clients in a number of ways:

- We have limited predictive ability in terms of what actually happens;
- We are at risk of over emphasizing the wrong things; and
- We often approach problems from the wrong direction.

Consequently, we need to broaden the definition of what we do to reflect the (new) realities of the marketplace. By incorporating behavioural economics into our research practices, the focus shifts more towards what consumers actually do and the reasons underlying their actions as opposed to just relying on what they say they do.

With that in mind, to fully understand the implications of behavioural economics for the market research industry, we should consider the basic principles of what behavioural economics involves. These principles are discussed in more detail with our survey results in Section 3.

In his book, Thinking Fast and Slow, the Nobel Prize winner and intellectual godfather of behavioural economics, Daniel Kahneman, sees human thinking in two forms that he calls System 1 and System 2. In layman terms, System 1 refers to thinking that is **fast, intuitive and emotional**, while System 2 is **slower, more deliberative and logical**.

Much of conventional market research assumes that decision-making is done only by System 2 with little or no input from System 1. Kahneman however argues that this is not the case. Consequently, one of the main implications of behavioural economics for our industry is that we need to start thinking about how we can account for the influence of System 1 in consumer decision-making.

Kahneman further points out that people are remarkably clever at coming up with answers to all kinds of questions without really knowing how or why. He calls this the '*idea of substitution'*. Essentially, what he means is that people do not always answer the question that was posed to them, but rather (especially in the face of a difficult question) simply answer it by subconsciously trading it for a simpler one. So when asked for example whether they approve of President Jacob Zuma's stance on social reform, they simply answer it by assuming that the question is really whether they like the President.

This obviously has direct consequences and implications for market research where respondents are asked all kinds of questions, some of which are quite difficult.

1.2.3 Criticism towards behavioural economics

One of the major criticisms against behavioural economics is the fact that it requires diverse skills sets. One behavioural economist for example had advanced degrees in clinical psychology and business as well as experience in market research, banking and consulting. According to Gardner (1987) one characteristic feature of cognitive science is its interdisciplinary approach – however, he poses it in a possible light in the sense that cognitive scientists "hope that, working together, they can achieve *more powerful insights* than have been obtained from the perspective of a *single* discipline".

Rabin (1996) also argues that for Tversky and Kahneman, as psychologists, to achieve success in bringing behavioural decision research to the attention of economists a key factor was the fact that "they [were] able and willing to address economists in economic language and venues". The requirement is therefore not necessarily for ONE person to possess all the skills, but to encourage collaboration and conversation between the various disciplines.

Another controversial issue is the question of whether this is truly something new. Many critics argue that behavioural economics has been around for many years, so why make a fuss about it now? According to Ned Welch (2010), a consultant at McKinsey & Company, this is particularly true for marketers. "*Long before behavioural economics had a name, marketers were using it. 'Three for the price of two' offers...became widespread because they worked - not because marketers had run scientific studies showing that people prefer a supposedly free incentive to an equivalent price discount...*"

Without elaborating too much on the technical detail of all the criticisms, we acknowledge that they do exist. Some critics have questioned the methodology and results of behavioural economics, while others might accept that the conclusions of behavioural economics are true for individuals, but argue that they are not significant when examining outcomes from aggregated markets. Some economists have further expressed concern about the strength of findings being generated from experimental data. In a report by Xavier (2011) prepared for the Australian Communications & Media Authority (ACMA) critics argue that behavioural economics has not adequately specified precise and falsifiable process models and that it has not captured the dynamic workings of a market.

Despite these reservations, however, organisations continue to examine how behavioural economics can contribute to more effective marketing and advertising strategies. In the same way we believe that market research companies should view behavioural economics not as a technique to "replace" any of the existing methodologies such as surveys or focus groups, but rather as a new tool that complements the current repertoire of research methodologies and techniques.

1.3 The research question and objectives

The research question investigated in our research is: Does behavioural economics have a place in market research?

The objectives of the quantitative research study are to measure awareness, perception and application of behavioural economics amongst research clients and market researchers in South Africa.

2. Methodology

2.1 Research design, participants & data collection

The method of data collection for the quantitative research component was an online survey via email invitation. Participants were selected from a represented group of researchers in market research companies as well as research clients. Data was collected electronically via a database that stores the responses of respondents as they complete the online questionnaire. A total of 79 completed surveys were achieved from a database of 418 researchers and clients (approx. 9% error margin at a 90% confidence level).

No ethical issues are relevant to the study since the findings are presented with absolute confidentiality and anonymity. Strict SAMRA code-of-conduct was followed in the data collection process and respondents were made well aware of whom the survey is done for and for what purposes the information would be used.

2.2 Research methodology, instruments & data analysis

The questionnaire was designed to address the objectives of the study and included specific questions on the basic principles of behavioural economics, in order to determine respondents' perceptions of these principles.

The data was analysed on an aggregate level to obtain an overall view of respondents' awareness and perception. In some cases individual's answers to open-ended questions are used to emphasise a certain viewpoint.

Due to the small sample size, results are not reported on a client vs. research supplier level; however 49% of the respondents represent a research supplier while 51% are research clients, which imply that the results can be considered as constituting the views of both these groups of research stakeholders.

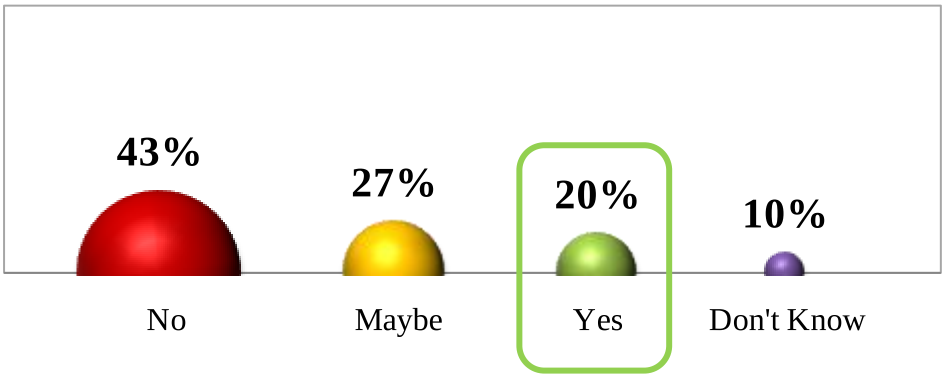
3. Results & Discussion

In this section of the paper we revisit some of our previous discussions with empirical results from the survey. We also outline some of the basic elements of behavioural economics and discuss their implications for market research incorporating specifically the perceptions of South African research suppliers and clients based on our survey results.

3.1 Why it is time for the market research industry to change – the evidence

The first question posed to both suppliers and users of market research was: "*Do you believe the way the market research industry conducts research today will be sufficient to address client's needs of tomorrow?*" A very small proportion (only 20%) of the respondents was of the opinion that the market research industry is adequately equipped to handle the challenges of the future. A concerning 43% respondents candidly answered "no".

Figure 1: Will market research be sufficient to address clients' needs of tomorrow
Sample = 79



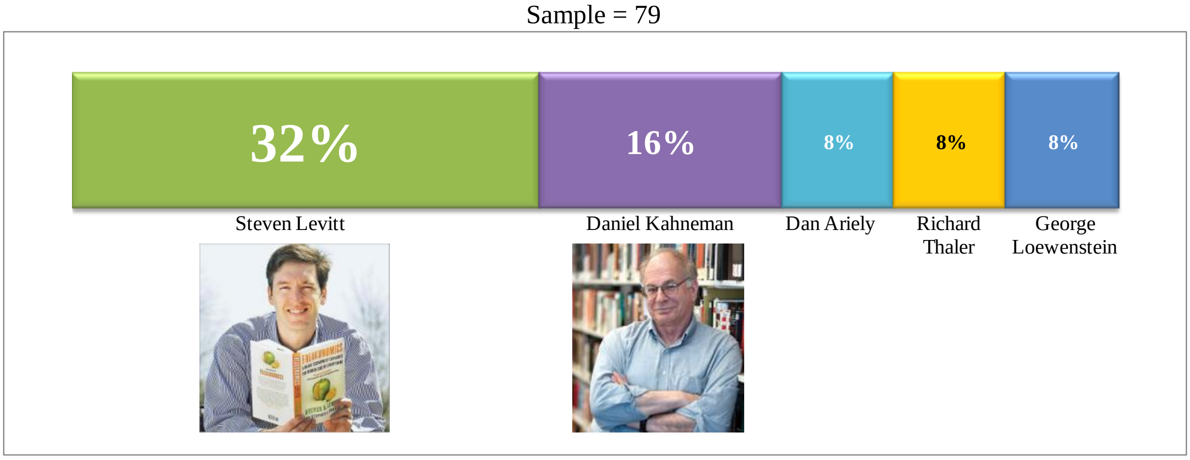
When asked why they feel the industry is running the risk of becoming irrelevant, the number one reason related to the issue of research **not being business centric**. According to the respondents we need to "understand the business issues [facing our clients] more fully", "be more business focused and [our recommendations need to be] actionable", "provide more on how to use and apply the information in organisations" and "anticipate clients' information needs...nowadays, clients are seeking not only information, but solutions and support at implementation level".

Respondents specifically called for market researchers to become more "consultative" in nature. One respondent highlighted: "Market research companies are losing more and more business to consultants…because the industry is not reinventing itself quickly enough".

3.2 Awareness and knowledge of behavioural economics

The majority of the respondents (58%) indicated that they are aware of the term "behavioural economics", but only 2% rated their knowledge on the subject as "excellent" (9 or 10 out of 10). The most read authors on the subject are Steven Levitt and Daniel Kahneman.

Figure 2: Percentage of respondents that have read work from specific authors
Sample = 79



3.3 Behavioural economics and the market research industry

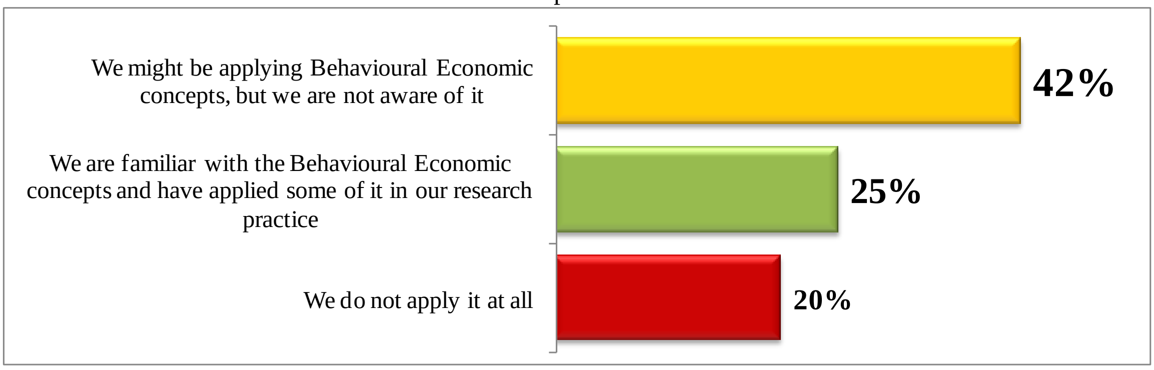
The vast majority of the respondents (85%) supported the idea that behavioural economics does have a place in the market research industry (in both qualitative and quantitative research).

The typical reasons provided relate directly to the need for more relevant and actionable results and insights (as identified earlier):

- "Understanding the why can help identify barriers and triggers to behaviour change"
- "Designing better instruments, especially not asking things people cannot answer accurately...taking behavioural economics thinking into account when making strategic recommendations"
- "Most of our current questioning approaches lead to nonsense responses"
- "One needs to understand the psychology behind people's purchase decisions and normal surveys are lacking this info"
- "The more we know... the more informed our marketing strategies will be"
- "One of the biggest challenges in market research is how to 'action' survey results. The psychological angle can help address this gap and take organisations beyond measurement into strategic implementation"
- "A lot of the models of human behaviour used in marketing, advertising and research are wrong. There is still a lot to learn about decision making"

However, when it comes to the current application of behavioural economics in research practices, the picture looks quite different (Figure 3) with only 25% of the respondents indicating conscious application of behavioural economics.

Figure 3: Top 3 current positions with regards to application of behavioural economics
Sample = 79



The 20% of respondents who indicated that they do not apply it at all did originally agree with the statement regarding behavioural economics having a place in market research. However, apart from no current application, none of them indicated any definite *future* plans to introduce it into their practices, mainly because of uncertainty with regards to application in their particular service offerings (“types of projects”, “niche offering”, “our range of clients”).

Ideally what we would like to see is **behavioural economics being applied as a framework** within all relevant research practices, *in an effort to increase the likelihood that our methods and analysis will uncover the key insights our clients need*.

A good example of how traditional techniques in conjunction with behavioural economics can provide useful insights is how Proctor and Gamble (P&G) investigated the potential market for the product Febreze (Cole, 2012):

- Initially Febreze under-performed and was very close to being cancelled.
- To identify what was holding the product back P&G sent researchers into people’s homes to observe and record cleaning behaviour.
- This allowed researchers to ask questions during or straight after cleaning episodes.
- Respondents were therefore in the right frame of mind and in a natural environment to discuss cleaning related products.
- What they discovered was that people were not aware of their own house odours.
- P&G’s strategy had been built around removing such unwelcome odours so this explained why it wasn’t working.
- Further in-home observation and questioning identified how Febreze customers incorporated the product into existing cleaning habits.
- This was the breakthrough they needed as they had been trying to create a new cleaning habit for Febreze. Instead P&G was able to piggy back onto an existing cleaning habit.
- This resulted in a completely new advertising strategy, and P&G has never looked back.
- ***Febreze now has annual sales of over $1 billion***.

What this suggests is that we should look to incorporate some of the insights from behavioural economics into the design of our research methodologies. Why not try running a focus group in a kitchen environment if the topic is about cooking appliances?

3.4 The principles of behavioural economics

In many (most) research methodologies we rely on subjects' responses to hypothetical choices – i.e., situations in which they are asked to imagine what they would do if presented with a particular decision. In doing this, we obviously assume that respondents – at least as some reasonable approximation – have an idea of how they would choose under specified counterfactual conditions.

Quite controversially, experimental economists have attacked the use of such hypothetical choice studies by complaining that subjects in these experiments had no incentive to provide truthful, carefully considered, responses (Angner and Loewenstein, 2010).

Behavioural economists have examined whether and when, in fact, eliciting hypothetical versus real choices mattered. Some studies have found substantial differences between hypothetical and real outcomes, for example Neill et al. (1994) elicited from subjects either real or hypothetical buying prices for a range of goods and found that hypothetical prices tended to be higher (as if it is easier to part with an imaginary dollar than with a real one). On the other hand, Johannesson, Lijas and O'Conor (1997) found contrasting results.

Other research shows that people seem to be particularly bad at reporting on how they would behave in a situation different from the one they are currently in. Van Boven, Loewenstein and Dunning (2003) for example, have shown that people who do not own a mug massively underestimate their minimum selling price for a mug, if they possessed one, and those with mugs overestimate the amount they would pay to acquire one if they didn't already own one.

Overall, what we need to bear in mind is that behavioural economics challenges the validity of relying solely on asking consumers direct questions and highlights bias that can result from group dynamics. The most fundamental challenge for market research is that humans are using two different cognitive systems for decision making. Thus, responses obtained from a person using their fast, efficient, unconscious mind will be invalid if in reality they normally use the more cognitive, conscious mind for that kind of decision.

The following table summarises some of the basic principles of behavioural economics (Dawnay and Shah, 2005), highlights their implication for market research and also states the view of the respondents from our survey on each of these aspects.

Principle	Description	Implication for market research	Survey results (perception)
Habits are important	• People do many things without consciously thinking about them. These habits are hard to change; even though people might want to change their behaviour, it is not easy for them. • *Survey Question 1*. People prefer to do nothing, rather than to make a change.	• Even if the costs of making a change are low and the benefits are high, people often choose to do nothing rather than actively make a change. • In Portugal for instance they found that 90% of mobile telephone subscribers do not use the cheapest tariff, but rather choose to stick with the service they currently have (OECD, 2008).	*Results Question 1*: • 11% do not agree (0-20 out of 100) • 25% do agree (80-100 out of 100)
People are loss-averse and hang on to what they consider 'theirs'	• *Survey Question 2*. Consumers care more about preventing a loss than making a gain. • *Survey Question 3*. Consumers value what they currently have more than what they might have.	• Loss aversion has been used to explain asymmetries in demand elasticities in response to price increases and decreases, the tendency for New York City cab drivers to quit early after reaching a daily income target (contrary to the prediction of conventional models of labour supply), the tendency for investors to hold on to losing stocks longer than winning ones	*Results Question 2*: • 16% do not agree (0-20 out of 100) 30% do agree (80-100 out of 100) *Results Question 3*: • 14% do not agree (0-20 out of 100) 27% do agree (80-100 out of 100)

Principle	Description	Implication for market research	Survey results (perception)
It is all relative	• *Survey Question 4*. Consumers are greatly influenced in their decision-making by how choices and options are presented to them. • Consumers sometimes make purchase decisions influenced by their emotional state	• Priming, anchoring and framing are strong influences on how people respond to stimulus. • People like to compare things that are easily comparable, and the context of how we present items heavily skews how we respond to them. • When different phrasings of questions can produce huge variation, extracting the correct meaning becomes a matter of interpretation and skill. This can only strengthen the researcher's value to clients.	*Results Question 4*: • 0% do not agree (0-20 out of 100) **66% do agree** (80-100 out of 100)
People are bad at computation when making decisions	• *Survey Question 5*. People look for rationales to choose one item over another. Where this becomes too complex they may either decide not to buy OR just pick 'whatever', rather than choose wisely. • *Survey Question 6*. People often choose instant gratification over greater future rewards. We seem to be wired to think short-term and have a hard time resisting instant gratification, which may interfere with rational decisions that would be more beneficial to us in the long run.	• In times of uncertainty, people often look to the actions of others to guide them. People herd and like to do what other people are doing or saying. • To use it to our advantage, we can use in-depth interviews with friendship pairs, interactions between members in online communities and deliberative techniques. • We can also include social factors such as acceptability (happy to be seen with), endorsement (have recommended) and aspiration (used by people I admire) in brand assessments.	*Results Question 5*: • 10% do not agree (0-20 out of 100) 37% do agree (80-100 out of 100) *Results Question 6*: • 3% do not agree (0-20 out of 100) **59% do agree** (80-100 out of 100)

In summary, to be the agents of change our clients need us to be and to deliver the type of actionable insight our clients demand, we recommend that researchers factor in the following considerations during research design and interpretation:

- Which mind system is normally at work when these types of decisions are made and which one are we engaging with now
- The respondent's state of mind and context of the process being investigated
- How we present items to avoid priming, anchoring and framing bias
- Existing behaviour – what habits and preferences currently exist
- Emotional responses that might be engaged
- Social norms that may be influential

3.5 The future for behavioural economics in the market research industry

In its most simplistic form, our job as researchers is to assist our clients in making better decisions. Whether it is decisions relating to product development, identifying target markets, determining the direction of marketing and advertising strategies or improving customer satisfaction, our roles as market researchers are to provide actionable recommendations that empower and assist our clients in their decision-making processes.

In 2008, during an interview for McKinsey Quarterly, Daniel Kahneman noted that all organizations should be viewed as factories producing decisions. As strange as this might sound, the point of his analogy is that the minute we think about decision-making as a product, our approach to it will be drastically different. When you produce a product, one of the first things you do is to put quality controls in place to ensure that the product you are manufacturing measures up to your standards and your clients expectations.

In the same sense, we can view behavioural economics as a tool for quality control for the market research industry; a measure that should be put in place to make sure the recommendations we provide to our clients are of high quality that is actionable and truly enables better decision-making.

As we alluded to earlier, we are under no disillusion that behavioural economics alone is the saving grace of the market research industry. Nor are we saying it's a question of out with the old, in with the new. Behavioural economics is not going to replace any of the existing tools and methodologies in the arsenal of the market researcher. As one of our respondents rightfully commented: "[you] need to carefully decide where you want to use it since it is not applicable in all circumstances... it does however provide a very interesting viewpoint on data that could have an effect on the interpretation of results".

Commenting on whether "traditional" methodologies (e.g. conjoint analysis) are no longer relevant, Dan Ariely (2010) merely emphasised the importance of whether these methodologies are used to represent the actual decision environment as closely as possible: "One of the big lessons from behavioural economics is that the decision environment makes a big difference in people's choices... If the decision environment plays a big role in what people end up choosing, it's important to model or represent the decision environment. To the extent that conjoint analysis *correctly represents decision environments* that people use when making particular decisions (e.g. when people consider different computers they look at the whole profile: resolution, memory, hard drive space) then it's a good method."

By understanding the interplay of thought, emotion, physiology, the decision environment – and the patterns of behaviour they create – we will equip our clients to make better, more robust decisions and also to implement them more effectively. As such, by factoring in the considerations highlighted in the previous section, we believe that market researchers will be able to successfully build models that will be *relevant, insightful and invaluable to our clients*, hence ensuring that market research does indeed remain relevant in the future.

4. Conclusion

Since we started our paper with shocking titles about the future relevance of market research, we believe it is only fitting that we end our paper with a response to those titles.

- *"How can market research regain its mojo?"*
    - Behavioural economics teaches us that small changes in our approach could deliver much more insightful results. For instance, when designing our methodologies and conducting our research, bear in mind the value that the use of for instance social media can bring. For example, social media research can be used not only to identify the best options to put on a grid question, but also to do a deep-dive into the key findings of an online survey. The principles of behavioural economics further taught us that cash is no longer king, so instead of the traditional gift cards or money, why not try to share with respondents insights into what their peers are doing as an alternative incentive.

- *"The research industry is not changing fast enough for business", "why the research industry needs to change"* and *"it's time for market research to join the 21st century"*
    - At a time when data is a commodity, insights are power and disparate sources of information are producing different versions of the truth, it is up to us as market researchers to step to the fore and show our true value. By embracing emerging technologies such as text analytics we will not only be much better equipped to provide insight into consumer behaviour, but we will be able to deliver it in near real-time. In addition, incorporate the ideas of behavioural economics and the context of the insight will drastically and positively impact its influence in our clients' decision-making processes.

- *"Has the research industry missed the train?"*
    - It is pretty obvious that consumers are very bad witnesses of their own behaviour. Yes, they can give us a rational response as to why they bought a particular brand, but as we highlighted in this paper, this is unlikely to be the true response when so few of our actions result from the conscious and so many from the subconscious. As such, we are convinced that the market research industry did not miss the train. In fact, we believe behavioural economics just changed the train and it is up to us to now decide on the best way to climb aboard.

- *"The death of market research?"*
    - The answer to this is clear and short: Not by a long shot.

In conclusion, the role of behavioural economic research is not to abandon theoretical research but to question and test the assumptions made by traditional models. Behavioural economics is not about forgetting what we have learnt and starting afresh. Instead it should be viewed as a value-add that can enhance our offers. It is not only about observing the behaviour of consumers, but also about changing our own behaviour so we can deliver new and more holistic insights to our clients.

> *"Behavioural economics is shining a light on the subtle and complex mechanisms that influence our actions. It is one thing to identify these mechanisms, but quite another to understand and measure them well enough to provide effective insights and accurate predictions. If we are up to the challenge of doing this, behavioural economics could be a game changer for the research industry"* - Berry (2011).

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