

Betting on your future: Why sweaty palms are important to the research industry.

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At this year's ESOMAR Congress, 20/20 Research unveiled a virtual reality platform that allows researchers to simulate a multitude of consumer products and sensory experiences for more engaging, detailed and cost-effective market research. The technology harnesses virtual and augmented reality to place respondents in almost any setting, measure their responses and better understand their reactions and behavior. RW Connect was intrigued at how companies decide to take

such gutsy chances on emerging technology.

Virtual Reality (VR) was once a quirky technological marvel that failed to pan out in the late 1990s. Yet, today, VR has become the single most heralded consumer electronics development since the advent of the Smartphone, with companies like Facebook, Samsung, and Sony investing billions in the space.

VR promises to revolutionise not only video games, but also movies (imagine walking around the scenes of your favorite films), communication tools (think video conferencing, but you'll actually feel like you're right there), and education (picture a history lesson, but with the students placed right in the action). The promise of VR is that consumers will be able to create other realities; the headsets and hardware will generate experiences so lifelike it will trick our minds into believing it's all real.

And while it's common to hear the words "next big thing" tossed around whenever impressive new technology hits the market, there is something quite different about this VR movement, the devices which make it possible are not yet ready for sale. Oculus VR, the tech company at the epicenter of this movement, has yet to ship a single consumer-ready headset.

So, what is a market research company like 20|20 Research thinking when it invests heavily to develop the technology and intellectual property for a platform that hasn't really proven itself in the market? And how did we come to place a bet on this technology? Quite simply, we believe VR has all the markings of a huge commercial success, and will be one of the biggest trends to hit the industry since the creation of digital research tools.

Love at first sight

Nearly two years ago, 20|20's development team came across a little-known company whose early-stage prototypes were starting to generate measurable "buzz" in technology circles. The company was Oculus VR, and their product was the first version of their "Rift" headset. We are always on the prowl for new trends in technology and experiment with dozens of cool new gadgets every year, searching for the ones that might provide a new capability for market research. The Oculus headset made our interest list almost immediately.

After a few days of online research on VR, we ordered a developer version of the Oculus device. The headset was big and bulky, required significant technical skills to set up and evaluate – but once you got past the quirks of it all – WOW. Just. *WOW*.

When you strap on the device and your head moves from side to side, the world projected inside the goggles moves with you. While the quality of the early devkit was far from perfect, we knew this technology had the potential to revolutionize multimedia, gaming, entertainment and, yes, research.

Innovating in reverse?

With our heads (literally) spinning with ideas on how VR might create whole new market research applications, our team began the early-stage product development process. And while most companies start the innovation cycle by tossing around the tried-and-true maxim of everyone "thinking outside the box"... well, we do the exact opposite. We define the box.

Without going into too much proprietary detail, we take all the primary aspects of a new tool or method – things like technology availability, cost and complexity – then all the players and their needs – people like researchers, end clients and participants – and we find everyone's intersection. In that rather narrow overlap of needs vs. capabilities, we gain our real inspiration for innovation. You end up with, ahem, this "box" of possibilities that best meets the needs of those involved and has the highest probability of commercial success.

With our newly defined "box," we begin a simpler process of making the business case for new product investments. Like many firms, 20|20 uses an option-value calculation to assess various strategies. In the case of VR, we saw enough upside to dedicate significant resources towards prototype creation, general R&D bandwidth and intellectual property development.

A case for Virtual Reality as the "next wave" in market research

As we developed further insight into VR and possible research applications, we began to catalog the trends we felt would contribute most to this technology's success in the market research industry.

#1: VR has already failed once. By thinking back to the failed VR headsets of the 1990s, hardware manufacturers and content publishers can learn from past mistakes. Most of today's popular VR developments tend to center around non-proprietary and cross-platform capabilities,

whereas past attempts focused on closed-system and proprietary hardware. This more mature product approach bodes well for wider commercial success.

#2: The hardware will be inexpensive and ubiquitous. Want to know why VR headsets can be built today, with amazing graphics and responsiveness, for just a few hundred dollars? Take a look in your pocket— the demand for high-res Smartphone displays and advanced mobile graphics did most of the heavy lifting for the hardware powering the Oculus Rift. Now, because of the billions spent developing small, powerful LCD displays for iPhones and other devices, companies like Oculus plan to ship a headset for less than the cost of a PS4 or Xbox. When millions of video gamers purchase their first VR headset next year, market researchers will have a ready and willing pool of participants who all made the investment for us. This isn't your Virtual Reality of yesteryear—this is highly advanced, *realistic* VR technology, made possible because of the advancement in the technology you use every day.

#3: VR allows for the creation of tests and experiments that are too costly (or impossible to create) in the physical world. Market research is all about the consumer experience, yet our ability to have shared experiences *with* our respondents is extremely limited. We must rely on consumer recall to tell us about their last shopping trip or hotel stay. With VR, we'll be able to take them back to that same experience and see the world through their own eyes— a researcher can strap on their own matching headset and virtually get inside the head of our respondents as they walk through a grocery store aisle or enter a hotel room for the first time. Moreover, because much of the VR experience development work is done through video game development tools, environments and experiences are simple and inexpensive to create.

#4: The VR industry itself will require its own research. Billions are being spent to develop entirely new VR-based communications capabilities for companies like Facebook, while Hollywood is looking for ways to put moviegoers virtually inside the scenes of their next blockbusters. If all goes according to plan, the market research industry will need a set of tools to study the VR industry as its own medium.

So what if it fails?

If consumers reject this new tech movement, like they have so many others, what happens? After all, the evolutionary tree of consumer electronics is littered with dead branches and technology that never lived up to the hype. There is a distinct probability VR will fail too, and companies like 20|20 will have invested untold fortunes that never pay off.

For the future of the market research industry, though, the success or failure of a single trend isn't important. If VR doesn't pay off, that may put a dent in 20|20's finances for the year, but the research industry won't pay any attention to the flop. And people probably thought the same about early rockets attempting to take astronauts into outer space.

However, what is absolutely critical is that there are firms out there willing to innovate, ready to risk failure and with the temperament to carry on. Whether its 20/20 or other firms, the industry needs more experimentation, more willingness to understand consumer trends.

In some ways, our industry lags far behind the people we are tasked with researching. Looking back to the advent of online research, in no way, shape, or form did the research industry “keep up” with the consumers as they boldly migrated to a digital life online. We were years behind in developing online research platforms and methods, and still to this day haven’t created an industry that truly reflects the digital lifestyle of the very consumer we so very much rely upon.

Hopefully, Virtual Reality will pan out as we expect. As an industry, we must increase our appetite for change and experimentation so we don’t miss out on the big consumer trends that will define the future. We cannot sit by, repeating the same research method year after year; our consumer’s world is changing and evolving, and we have to equip ourselves to follow them into new experiences and onto new platforms. Even if VR fails, there will be other technologies that succeed, and for the health of our industry, I hope we were placing bets on many future possibilities, rather than watching the world change around us.

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