



THE BIG LIE:
**UNPACKING THE
CRISIS IN CONSUMER
MARKET RESEARCH**

The State of Consumer Market Research



A randomized test found up to **96%** of survey responses were fraudulent.

- Wiley Online Library
A scholarly research database



Consumer market research has historically served as a vital tool for businesses, providing critical insights into customer behavior, preferences, and market trends. However, the industry now faces an existential crisis driven by systemic issues that threaten its credibility.

Deteriorating data quality, rampant fraud, flawed recall mechanisms, and outdated incentive models are undermining the reliability of insights.

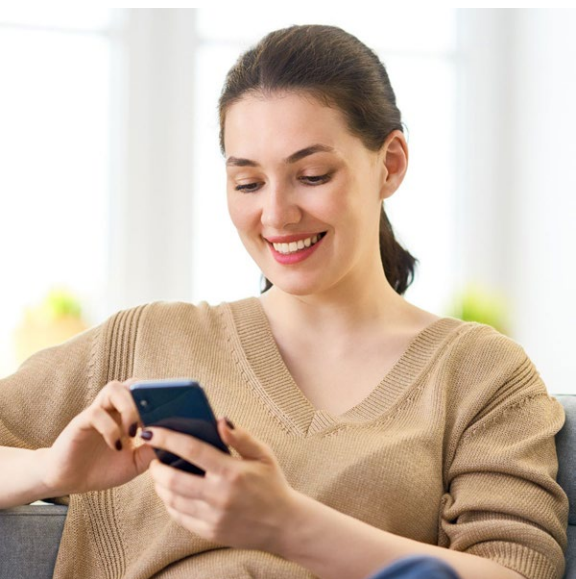
Compounding these challenges is the rise of synthetic data derived from AI, which can amplify biases if underlying data quality issues are not addressed.

Legacy practices driven by cost-cutting, monopolistic controls, and a lack of innovation have commoditized data collection, often disregarding validation technologies.

This paper explores these pressing issues, their root causes, and actionable solutions to restore industry credibility.



The Data Quality Crisis: Fraud, Poor Recall, and Incentive Models



The reliability of consumer market research has been severely compromised by poor recall accuracy.

Traditional survey methods often rely on participants recalling past behaviors, which introduces a significant risk of bias.

As consumers interact across physical and digital channels, this recall bias has intensified, leaving researchers with a larger gap in visibility.

Fraud is another pervasive issue. Digital survey platforms have seen a surge in fraudulent responses driven by bots, click farms, and professional survey takers. This level of fraud distorts insights and undermines the reliability of market research.

[Read the Full Report.](#)



of responses across major panels, including those from **Dynata, Lucid, and Cint**, were flagged as suspicious or fraudulent.

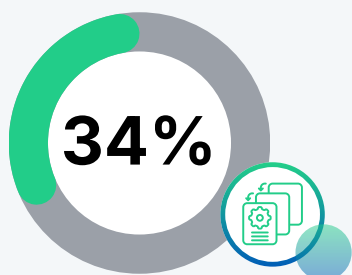
-Greenbook Industry Trends Report (GRIT 2024)

[Access Study.](#)

Outdated incentive models exacerbate these problems. Many firms continue to use compensation structures such as points or rewards that amount to mere pennies for a 20-minute survey. This encourages respondents to prioritize speed over accuracy.

In a case study conducted by MFour, it was discovered that the majority of respondents completed a 20-minute survey in under 5 minutes, indicating low engagement and a high risk of inaccurate data. The commoditization of data collection focuses on volume at the expense of quality.

River Sampling and Industry Routers: Structural Weaknesses



of professionals say data quality issues resulted in at least one poor business decision in the past six months.

- Greenbook Industry Trends Report (GRIT 2024)

The Complicity of Legacy Market Research Firms



River sampling, widely used in market research, involves routing respondents through a network of interconnected panels.

While this method increases sample size, it also introduces fraud, as the same respondent can participate in multiple surveys across different platforms.

Industry routers operated by major firms like Dynata and Lucid exacerbate the issue. These routers prioritize volume and speed at the expense of data integrity, resulting in inflated sample sizes and compromised validity. This model also creates a poor experience for panelists, leading them to abandon the survey platform, which further reduces panel quality. As router models expand, the pool of willing participants shrinks, creating a feedback loop that degrades the entire system.

Legacy firms such as Stagwell Harris, Cint, and Lucid have played a significant role in perpetuating poor practices in market research.

Their focus on lowering sample prices to maximize profit margins has led to the widespread commoditization of data collection, all while publicly claiming to address declining data quality.

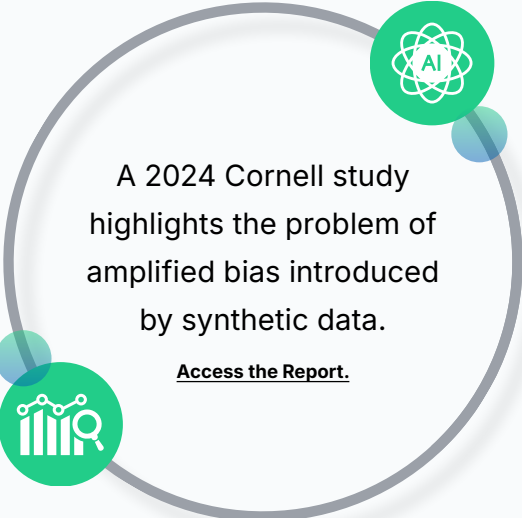
Despite growing evidence of issues like fraud and respondent duplication, these companies have been slow to implement more stringent validation measures, largely because doing so would require a substantial multi-year investment that the industry cannot wait for.

The Rise of AI and the Threat of Synthetic Panels

While AI integration in market research offers promising automation and enhanced analytical capabilities, the introduction of synthetic panels poses significant risks.

A synthetic panel is an AI-generated data set that simulates real survey respondents, designed to expand sample sizes and fill data gaps by predicting responses based on existing patterns.

However, if AI models are trained on biased or fraudulent data, they risk amplifying these biases. For an industry built on making consumer feedback more accessible, they risk amplifying the data quality issues that exist today.



A 2024 Cornell study highlights the problem of amplified bias introduced by synthetic data.

[Access the Report.](#)

The Path Forward: Solutions for Restoring Data Quality

To address these systemic issues, the market research industry must adopt several key changes.

Robust validation technologies, such as passive data collection via GPS tracking and app usage monitoring, are essential for verifying the accuracy of self-reported responses. Properly compensating consumer panelists for their time and data access is also crucial.

The current model, which offers minimal incentives, does little to motivate thoughtful participation.

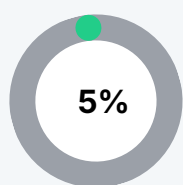
Additionally, eliminating river sampling and interconnected industry routers will reduce duplicate responses and enhance data integrity. Above all else, if panel experience is not prioritized, all other improvements become irrelevant.



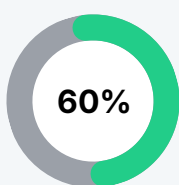
MFour's Methodologies: Setting a New Standard in Market Research

MFour Fraud Rates vs. Industry

55% higher validity when compared to other top five online consumer panels



MFour



Standard Research Panels

Summary of four "Research on Research" studies from top 10 MR firms
– 1/1/2023 to 2/15/2024

Conclusion: A Call for Industry Reform



MFour has developed innovative methodologies that integrate both active and passive data collection via smartphones, offering a comprehensive approach to consumer insights.

By intercepting consumers at key moments and validating responses with behavioral data, MFour achieves the highest level of data quality in the industry.

Their multi-channel approach, which includes GPS-based validation such as in-store intercepts, effectively uncovers discrepancies between self-reported data and observed behavior, setting a new standard for accuracy in consumer market research.

The consumer market research industry is at a critical juncture.

Without addressing systemic issues such as data quality, poor panel experience, fraud, and outdated methodologies, the industry risks losing its credibility and relevance. MFour's innovative approaches demonstrate the potential for high-quality, reliable insights, but widespread adoption of these methods is essential for the industry to regain trust. It is time to prioritize data integrity and embrace new technologies that can secure the future of market research.

About MFour

MFour solves the issues of data fraud and commoditization in research using validated consumer data and a groundbreaking end-to-end insights platform. Utilizing the 4.5 star rated iOS & Android Surveys On The Go® app, MFour collects validated consumer behaviors + surveys to gain deep insights into consumer journeys. This data is seamlessly integrated into MFour Studio™, the only platform combining validated surveys with real-time app, web, and location data. This comprehensive approach empowers businesses to make informed decisions using validated consumer opinions and behaviors.

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References:

- GreenBook Industry Trends Report (2024). [Access the Report](#)
- Cornell Study on Amplified Bias (2024). [Access the Report](#)
- Wiley Online Library Featured Article (2023). [Access the Report](#)