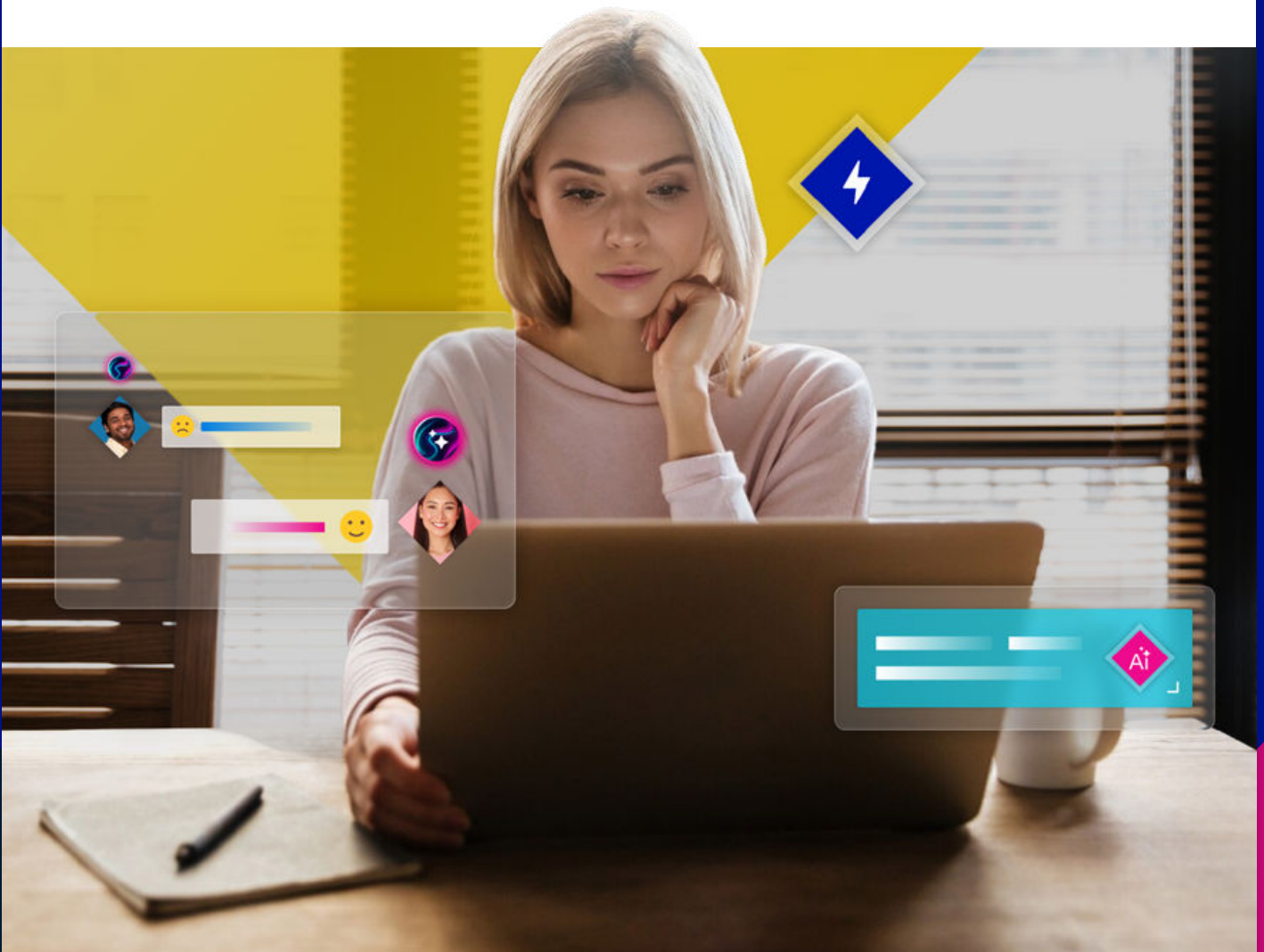


How **GenAI** is transforming the **market research** industry

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Content:

GenAI is a storm

pg. 2-3

Disruption 1:
cheaper, better and faster

pg. 3-4

Disruption 2:
The virtual panel

pg. 5

Disruption 3:
GenAI native research

pg. 6-8

GenAI is a storm

Large Language Models (LLMs) were originally designed to understand and generate human language. However, as these models grow in size and complexity, they have evolved to do much more than process words. They can now capture the underlying reasoning and cognition that power all forms of human communication. Today, LLMs excel at tasks once thought to require distinctly human intelligence, including medicine, mathematics, software development, accounting, as well as image and video generation.

As of early 2026, Generative AI (GenAI) has emerged as a seismic disruptor, fundamentally repricing cognitive labor. GenAI doesn't just automate routine tasks; it automates thinking itself, often surpassing human performance across a range of fields. This shift is rapidly reshaping entire industries: some companies are being propelled to new heights, while others face obsolescence or are squeezed out by relentless pricing pressures.

It's important to recognize that GenAI is not a sudden breakthrough. The foundational technologies behind LLMs and transformers are rooted in neural networks and generative models that have been developed for over a decade. The concept of embeddings, which serve as the core encoding mechanisms for LLMs, dates back to 2013 with Word2vec. The tipping point came with Google's 2017 "Attention is All You Need" paper, sparking a revolution that accelerated dramatically in early 2022 thanks to advances and simplification brought by OpenAI, Anthropic, Google, and others. GenAI has since proven to be a transformative, general-purpose technology, fundamentally altering how we access, process, and apply information.

However, simply adding AI to existing products is no longer enough. As chatbots, summaries, and copilots become ubiquitous, only those companies that deliver genuine, differentiated value on top of core GenAI technologies will survive and thrive. The rest will face existential threats. The most vulnerable are:

- ◆ **Service-based companies:** Those relying heavily on human services face severe price erosion. While they may not disappear entirely, they must dramatically boost productivity and efficiency,

layering specialized service offerings atop GenAI models. Their revenues and margins are set to shrink under intensifying competition.

- ◆ **SaaS providers focused on data transformation:** Much of what these platforms offer can now be accomplished by GenAI with a simple prompt or with minimal custom development. Renewal rates will continue to fall, and simply "adding AI" will not shield these companies from disruption.
- ◆ **Thin wrappers over LLMs:** Companies that provide only marginal enhancements atop LLMs offer too little value to survive. Sooner or later, core LLMs will absorb this functionality, or clients will manage it internally.

To succeed, companies must focus on adding authentic, high-impact value to core LLM platforms, leveraging proprietary data, unique domain insights, and expert methodologies to unlock new growth in the GenAI era.



As GenAI industrializes cognition, only companies that add real, differentiated value on top of core models will survive.

This transformation is especially profound for the market research industry, which has traditionally relied on monetizing human cognition – people questioning people, and experts synthesizing insights. GenAI is industrializing this layer of expertise, slashing the marginal cost of insight generation and compressing the value of human intervention. The need for high-quality insights and trend analysis remains, but the methods of



GenAI makes market research cheaper, faster, and better at the same time.

delivery, pricing, and availability are undergoing rapid evolution. What was once an expensive, slow, and sporadic, project-based process is becoming an agile, always-on decision intelligence layer, accessible to organizations every day.

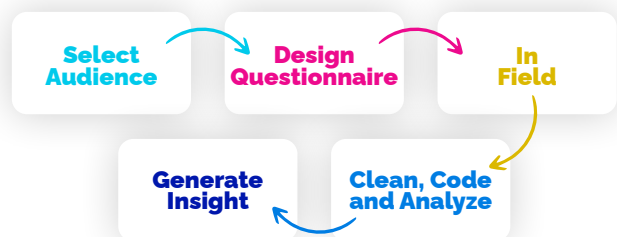
Moreover, as agentic AI matures, clients will likely engage directly with systems that provide market research input, from images and videos to claims and new concepts. Within three to five years, the market research leaders will move beyond selling discrete projects, instead offering continuous, data-driven decision intelligence, grounded in real consumer behavior, with far less reliance on human-powered services. In this new landscape, paid human cognitive labor is rapidly becoming a commodity. This paper explores the core disruptions GenAI is driving across the market research landscape, the risks facing established players, and Toluna's strategy to lead in this new era by combining AI-native systems with proprietary data, proven methodology, and deep domain expertise.

Disruption 1: **cheaper, better and faster**

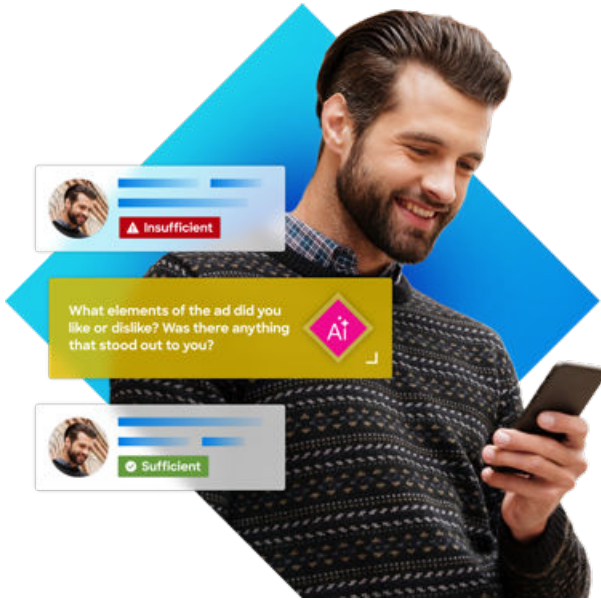
The first and most profound way GenAI is revolutionizing market research is by making it dramatically faster, more affordable, and more effective without sacrificing the tried-and-true methodologies clients trust. The integration of advanced AI isn't just an incremental upgrade; it's a sweeping transformation visible across every corner of the industry, driven by relentless cost pressures and the need for differentiation. Yet, as previously discussed, simply incorporating AI will not be a lasting competitive edge.

Historically, market research has been bogged down by slow, manual processes. Each project (sold as a discrete unit to the client) follows a series of specialized steps, each demanding rigorous methodology and best practices to ensure quality and reliability.

Even today's most advanced providers, armed with end-to-end platforms that automate much of the project launch process, still depend on expert customer service teams for every stage of the pipeline. From survey design and sample recruitment to fieldwork, analysis, and reporting, projects often take days to complete. Large-scale studies remain costly, requiring extensive human panels and high-touch consulting, limiting research frequency (monthly or quarterly) and often restricting access to only the most critical business questions.



Software has traditionally occupied a minor share of industry spending, with services dominating budgets. This status quo signals an immense opportunity for technology – especially AI-powered solutions – to drive unprecedented efficiency. GenAI is the game-changer:



it accelerates the shift from labor-intensive services to intelligent, automated software by streamlining (and personalizing) tasks such as survey creation, data collection, and analysis that once demanded significant manual effort. By slashing costs and turnaround times, GenAI democratizes research, empowering teams across product, marketing, and customer experience to pursue data-driven answers that were previously out of reach. This surge in GenAI adoption is not only a response to mounting financial pressures, but also a clear signal that prices will continue to fall as more human labor is replaced by AI-driven automation. In this new era, the winners will be those who harness GenAI to deliver richer insights, at greater speed and scale, than ever before.

How Toluna is using GenAI in its traditional pipeline

Since 2018, Toluna has strategically invested in AI, Machine Learning, and Generative AI, assembling and nurturing a world-class team of experts spanning computer science, data science, and market research. In the early years, our efforts were laser-focused on enhancing the traditional market research pipeline, with a particular emphasis on optimizing field management. Through these initiatives, our AI has dramatically advanced survey routing precision and elevated the quality and reliability of our collected data.

As GenAI technology rapidly accelerated, we boldly expanded our vision, deploying AI to transform an ever-wider array of study components. One standout innovation is QProbe, designed to elevate the caliber of open-ended responses. With QProbe, panelists' answers are intelligently reviewed by our AI agents. If a response is flagged as unclear or lacking in

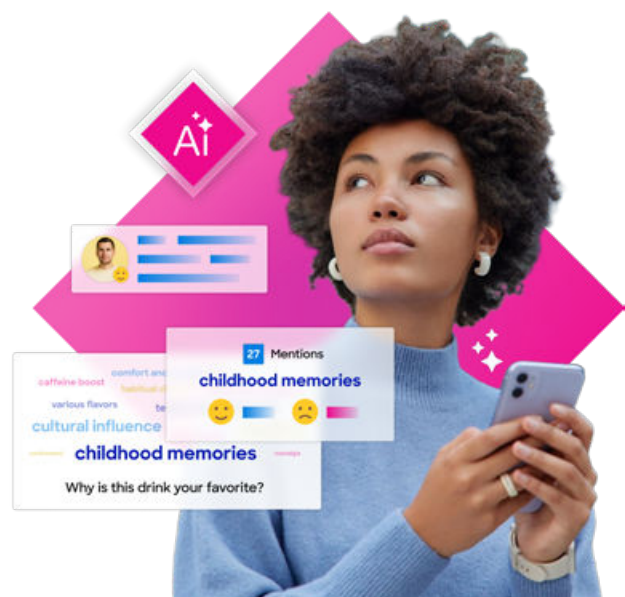


AI at Toluna is not experimental, it is operational.

detail, the AI prompts the respondent to elaborate, resulting in richer, more nuanced insights. The impact is clear: QProbe has improved the depth and clarity of responses in approximately 80% of cases.

Taking automation even further, we introduced SmartCloud, a sophisticated tool that analyzes open-ended answers, performs automatic coding, and delivers sentiment analysis, all in real time. This innovation dramatically reduces the researchers' workload while surfacing key insights. We're also pioneering the delivery of automatic answer summaries, spotlighting the most important findings at a glance.

Our commitment to AI-driven innovation is relentless. The list of advancements continues to grow each week. By combining cutting-edge technology with deep industry expertise, Toluna is redefining what's possible in market research and empowering organizations to unlock insights at unprecedented speed and scale.



Disruption 2: **The virtual panel**

Virtual panels can replace or complement human panels in answering questions, surveys, and participating in studies. The promise behind this allows GenAI-based agents to participate in MR projects and provide information, opinions, and ideas that can be used to generate insights for clients. Access to a truthful human panel has always been a limiting factor for any large-scale MR study. This development could completely solve the issue, as it would make it possible to get answers from niche panels in record time. We see many players announcing developments in this space, though some are misleading.

Synthetic data is not a virtual panel

Synthetic data is a general term that simply means that the data is not generated by humans. It often refers to predictive models that can be used to complete and augment or completely replace answers provided by humans. These predictive models can be based on multiple different techniques such as regression models, but also traditional machine learning methods, such as random forests or boosting. We are not discussing these techniques further in this document as most of them have been used for years and are mostly not based on GenAI. We wanted to emphasize that many companies use the term synthetic data to position themselves as disruptive, but are in fact using relatively old technology that does not have the disruptive potential of GenAI.

Virtual panel to generate insights

Instead of recruiting, screening, and incentivizing a large group of human respondents, researchers can leverage commercial LLMs like OpenAI, Claude, Gemini, or others that are sophisticated AI models trained on vast datasets of human language, behavior, and preferences. These models can then generate realistic and diverse answers to survey questions, participate in simulated discussions, and even provide nuanced qualitative insights.

This approach offers several compelling advantages like speed, scale, cost, and availability, but it also brings multiple challenges, such as the

representativeness and trust of the market. Today, GenAI as a Virtual Panelist is not intended to fully replace human participants but rather to augment and enhance traditional market research methods. It can serve as a powerful tool for rapid prototyping, concept testing, initial hypothesis generation, and exploring a wide range of scenarios before engaging human respondents. The future of market research will likely see a hybrid approach, where AI and human intelligence collaborate to unlock deeper, faster, and more cost-effective insights.

How Toluna is using Virtual Panel

Toluna has been at the forefront of Virtual Panel innovation for several years, resulting in a suite of groundbreaking, disruptive offerings. We have engineered a sophisticated AI agentic system, underpinned by extensive real human response data, that can authentically emulate a real person taking a survey. This system boasts advanced capabilities: from scrolling and navigating complex matrix questions, to interpreting image and video stimuli, and providing responses that align with distinct persona backgrounds, prior answers, and the latest real-world events, thanks to seamless web access.

Our innovation has enabled us to create over a million unique virtual personas, each with diverse demographic and psychological profiles. These personas are not only ready to participate in real-world surveys, but also fully capable of mirroring genuine consumer behavior with more than 80% correlation to human responses. We have prioritized ensuring that these virtual personas are both highly variable and truly representative, empowering them to effectively supplement –or even replace – human participants.

These dynamic personas are prepared to engage in a broad spectrum of surveys, including claim evaluations, idea testing, product and ad screening, and more. The Toluna Virtual Panel stands apart: its virtual respondents deliver responses that are both meaningful individually and insightful collectively, making them suitable for quantitative surveys as well as interactive focus group discussions. Every day, we generate new virtual panelists, tailored to the evolving needs of our clients, providing a powerful, predictive tool that is reshaping the future of market research.

Disruption 3: **GenAI native research**

The AI-native disruption eliminates the need for traditional MR projects by attempting to derive insights directly from GenAI engines. Large GenAI LLMs like ChatGPT or Claude are trained on all kinds of available data, including opinions, social networks, and forums, e-commerce sites and many more. They inherently include the information necessary to generate insights. So, if someone says something about a product or a brand, it is ingested by these major GenAI providers that are learning from it. Hence, instead of asking people questions about topics, it might be possible (under the right circumstances) to unravel the information from the LLM instead and derive insights directly rather than going through the traditional MR pipeline. Of course, this is not as simple as asking a question to ChatGPT, but one can get an understanding of the depth of knowledge by asking ChatGPT about current trends in detergents, cars, beverages, electric toothbrushes or any kind of consumer goods.

The direction, particularly common among tech startups but also adopted by many brands through internal teams or hired consultants, attempts to directly extract insights from LLMs without creating a questionnaire or relying on the traditional pipeline. This

approach seeks to ascertain purchase intent or product likeability, among other metrics, directly from the LLM without traversing the traditional or hybrid market research pipelines. This signifies a potential paradigm shift, where the LLM becomes a direct conduit to insights, bypassing the need for extensive human data collection and analysis. This method offers the promise of faster, potentially more cost-effective, and scalable insights. In this approach, there is no panel, no survey, no data collection, and no data analysis.

This direct extraction method, while innovative, poses a significant potential risk to traditional market research players. Their established business models and expertise are centered around the very methodologies that these new AI-driven approaches aim to circumvent. The disruption could manifest in reduced demand for traditional survey design, data collection, and analytical services.

Beyond direct insight extraction, GenAI's capabilities also extend to areas like brand monitoring and deep research. LLMs can rapidly process vast amounts of unstructured data, such as social media conversations, online reviews, and news articles, to provide real-time brand sentiment analysis, identify emerging trends, and uncover deeper consumer perceptions that might be missed by traditional methods. This capability enables more agile and comprehensive monitoring of brand health and competitive landscapes, offering another



avenue for GenAI to redefine market research practices. The integration of GenAI across various stages of the market research lifecycle, from initial concept testing to post-launch performance monitoring, is likely to reshape the industry significantly.

How Toluna is working on full AI solutions

Toluna started investing in full AI solutions to address new needs while still relying on proven methodology and industry benchmarks. The first two products we released for this specialize in claim testing and ad effectiveness. In both cases, we deliver insights similar to what "traditional" products deliver (using the same KPIs against the same benchmarks,) but the actual generation is done directly with a complex agentic AI system that includes our virtual panel as a predictive engine at its core. Again, we guarantee 80% minimum correlation with real human answers, but a complete AI-based model allows rapid testing of multiple iterations. It allows for the testing of various claims or videos without a huge human panel. These solutions are fully integrated into the TolunaStart platform and are in the process of becoming fully automated for ease of use. More information can be found [here](#).

The future of market research

The landscape of market research is on the precipice of a radical transformation, driven largely by the accelerating adoption of GenAI. This technological shift poses an existential threat to traditional market research players and methodologies, while also unleashing new opportunities for those agile enough to embrace an AI-first approach. We anticipate a significant contraction in the traditional market within the next two years, creating a vacuum that will be filled by innovative new entrants who not only understand AI but are also fearless in pushing its boundaries. Survival for existing companies hinges on their capacity for radical self-reinvention and a commitment to mastering AI.

The primary threats to established market research companies can be categorized as follows:

- ◆ **Insourcing through direct GenAI engagement:** A growing number of technologically sophisticated companies will attempt to bypass traditional market research agencies altogether. Instead, they will leverage powerful GenAI engines like OpenAI, Claude, and others to directly extract insights,

identify emerging trends, and conduct preliminary research. This shift represents a fundamental challenge to the core value proposition of many market research firms, as their clients gain the ability to perform basic analytical tasks internally and at a fraction of the cost. The ease of access and increasing sophistication of these AI models will democratize data analysis, empowering internal teams to derive actionable intelligence without external assistance. We believe that this threat is real, but it requires a significant effort and an advanced tech team to be able to produce quality and reliable results.



Full AI solutions enable rapid iteration, scalable insight generation, and a fundamentally new way to understand consumers.

- ◆ **Disruption by AI-native providers:** A new breed of market research providers is emerging, built from the ground up on a foundation of full AI pipelines. These AI-native firms will not merely integrate AI as a tool; their entire operational framework – from data collection and analysis to report generation and strategic recommendations – will be powered by advanced AI algorithms. They will offer a significant added value beyond a simple session with a GenAI engine, providing comprehensive solutions that are faster, more accurate, and more cost-effective than traditional methods. Their inherent agility and technological sophistication will allow them to deliver insights with unparalleled speed and depth, fundamentally reshaping client expectations.
- ◆ **Transformation of the traditional market research pipeline:** Even for market research companies that choose to adapt rather than be replaced,



the traditional pipeline will undergo a profound metamorphosis. The injection of GenAI technologies will lead to new levels of transformation, acceleration, and cost reduction. Every stage of the research process – survey design, data collection, qualitative analysis, predictive modeling, report writing – will be optimized and enhanced by AI. This will result in higher quality insights delivered at a fraction of the current cost and time. Companies that fail to integrate GenAI effectively into their existing workflows will quickly find themselves uncompetitive, unable to match the efficiency and output of their AI-augmented rivals.

Given these formidable challenges, it is unequivocally clear that incumbent companies within the market research domain face a stark choice: either embark on a path of radical transformation and reinvention or face a rapid and inevitable decline into obsolescence. The future of market research belongs to those who embrace AI not as a threat, but as the essential catalyst for innovation and competitive advantage. In this changing world, Toluna is pivoting to remain a market leader by relying on the following key assets:

- ◆ **Years of data:** longitudinal data, customer data, market data – all of which is unique and proprietary – that is leveraged to build and improve our AI models.
- ◆ **AI expertise, built over years that cannot be jumpstarted.** The Toluna team started working on advanced AI models over 8 years ago.
- ◆ **Know-how and expertise in multiple domains**

and verticals of market research. Experts who know the clients, the needs, and the KPIs they need and how to measure them.

- ◆ **Our engaged client base** that trust us to make decisions.

While AI promises democratized, real-time insights and unparalleled scalability, it also demands rigorous attention to issues of data quality, bias, reproducibility, and ethical considerations. The industry must navigate the critical questions of validating AI-generated insights and ensuring their representativeness and actionability.

The future of market research will undoubtedly be hybrid, blending the strengths of advanced AI with the irreplaceable human expertise in critical thinking, strategic interpretation, and nuanced understanding of human behavior. Traditional players who fail to embrace radical reinvention and AI-native approaches risk obsolescence, while agile innovators will define the next era of data-driven decision-making. Ultimately, GenAI is not just a tool; it is the catalyst for a fundamental reimagining of how organizations understand and engage with their markets.

References

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