

NIM Research Agenda 2025-2027

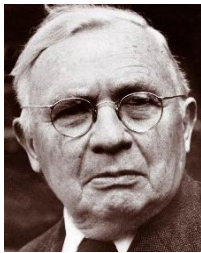
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I. The origin and current focus of NIM's research areas

The insight that led to the founding of NIM was that the **consumer** is the key for understanding market dynamics and needs to be the focus of economic analysis if one is to understand how products - and thereby companies - fail or succeed in markets.

What are the "market decisions" at the core of NIM's research interest? NIM's founder Wilhelm Vershofen's definition still guides us:



In the present day, it is becoming increasingly clear that the economically decisive factor is the consumer in the sense of the end user.

*The fate of all products, which have been manufactured for the market – that is, for sale – ultimately depends on his **attitude**, his **habits** and his **market decisions**.*

Prof. Dr. Wilhelm Vershofen, Memorandum, 1934 Quoted from: Bergler, G. Die Entwicklung der Verbraucherforschung in Deutschland (The Development of Consumer Research in Germany), p. 81

The focus areas of NIM are understanding the **market decisions of consumers**, what **impacts** these decisions, how companies can make better **decisions** on **what value to provide** to the market by better understanding how their **customers define and perceive value** beyond an offering's basic functionality. And from a macroeconomic perspective, NIM looks at how **aggregated market decisions** of all consumers can impact **increasingly dynamic markets**, entire economies and societies, including implications for policies affecting markets.

As NIM looks back on 90 years of objective empirical research focused on consumer behavior and market dynamics, we are still committed to this original vision.

NIM Positioning and Focus as the guideline for NIM's research mandate:

- ❖ NIM generates **insights into consumer behavior** in dynamic markets **that are relevant to** corporate strategy, economic policy and society.
- ❖ NIM investigates how **consumer decisions** change as a result of new technologies, societal trends or applications of behavioral sciences and what **micro- and macroeconomic effects** this has **on the market and society as a whole**.
- ❖ NIM conducts research using **empirical methods** in cooperation with international **academic institutes**. Results are widely communicated and exchanged and further developed in **high-profile dialog and transfer formats with academia and practice**.
- ❖ A **better understanding of consumer decisions** helps society, companies, politicians and consumers make **better decisions in terms of the socio-ecological market economy** and "prosperity for all" (in the sense of Ludwig Erhard).

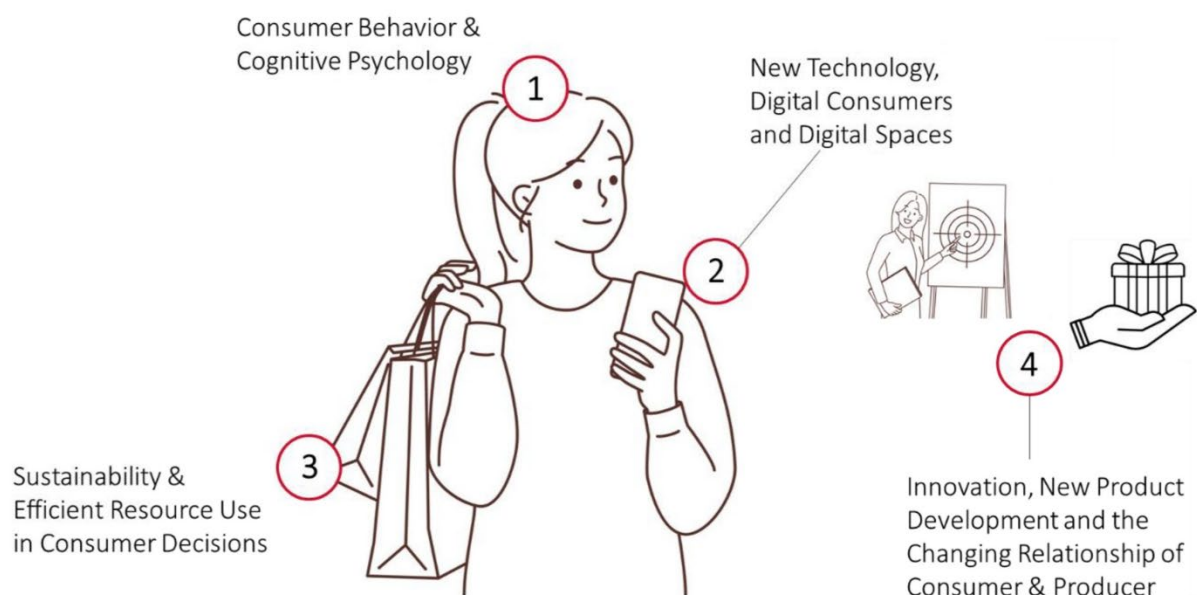
NIM's mandate is to provide **relevant insights** on consumer behavior and market dynamics for the **following key audiences**:

- ❖ **Academia strengthens the relevance of its findings on consumer behavior** through an interdisciplinary network, access to practice partners, relevant data and modern infrastructure for research.
- ❖ **Business (practice) has relevant knowledge** about attitudes, benefit perceptions and consumer decisions and makes better decisions about structure and processes in product development, marketing and sales.
- ❖ **Society (and the media) can lead better, evidence-based discourses** on changing consumer behavior and the significance for society, markets and market participants.
- ❖ **Policymakers have a better understanding of consumer decisions** in order to reduce undesirable side effects of interventions in the self-organized market of demand and supply and to focus precisely where there is a market failure.
- ❖ **Consumers can make better-informed decisions** in terms of their own values and preferences, through a better understanding of how their consumption decisions are influenced by new technologies, social trends or certain behavioral patterns.

As an independent research institute committed to sound empirical research with practical relevance, we use a **broad range of methods** from **qualitative** approaches via lab and online **experiments** and large-scale **quantitative surveys** to longitudinal studies and detailed **behavioral data** reflecting actual market decisions of consumers. The capture and analysis of open-ended questions, to truly understand the thinking and reasoning behind consumers' considerations and market decisions, has been a mainstay of NIM since its founding days, when up to 10000 open statements per study were painstakingly captured in semi-structured interviews. Today, NIM uses modern data-science tools to analyze and do deep-dives on this type of data. We also use method-mix approaches, such as enriching the survey-based data of the *GfK Consumer Climate powered by NIM* with qualitative open questions and quantitative behavioral data.

II. Four Interconnected Topic Clusters

This Research Agenda is organized in 4 topic clusters, all of them interconnected and with overlapping perspectives due to their shared focus on relevant challenges and problems related to **attitudes**, **habits**, and **market decisions** by consumers:



1. Consumer Behavior and Cognitive Psychology

Consumer behavior is deeply rooted in psychological, social, and emotional processes that shape decision-making, innovation adoption, and identity-driven consumption. Understanding how consumers process information, frame decision options, adopt innovations, and form habits provides critical insights for market participants to anticipate needs, identify perceived value, address barriers, and foster meaningful interactions and connections.

1.1 The role of information for consumer decision-making

Exploring how the availability, framing, and cognitive processing of information impact consumer understanding, trust, and choices.

Guiding Questions

- Availability of information: How does asymmetric information (e.g., about the product itself or about the quality of information) influence consumer decision making?
- Presentation of information: How does the format and framing of influence consumer understanding, trust, and decision-making?
- Processing of information: What are the cognitive and emotional factors that influence consumer responses to information?

1.2 Identity, Personalization, and Habit Formation in Consumer Behavior

Investigating how consumer identity, hyper-personalization, and habit dynamics influence purchasing behavior and decision-making.

Guiding Questions

- Consumer identity: How do purchases reflect and shape individual and group identities?
- Hyper-personalization: What are the psychological effects of tailored marketing and products?
- Habit formation and habit breaking: How do consumers develop or abandon purchasing habits?

2. New Technology, Digital Consumers and Digital Spaces

New technologies and social media platforms are rapidly transforming how consumers interact with brands, products, and each other. It changes how we identify needs, make purchase decisions, and experience digital spaces. These innovations offer numerous benefits, such as personalized recommendations, smarter interfaces, and enhanced convenience, but they also bring forth challenges regarding trust, transparency, and ethics. As AI systems grow more sophisticated and integrated into everyday life, understanding their impact on consumer behavior and navigating the associated risks is crucial for fair, accountable, and trustworthy markets and societies. Understanding how the dynamics of engagement, the influence of key players, and the opportunities and challenges within virtual environments like gaming platforms are reshaping consumer behavior is crucial for market participants and policy makers for evidence-based decision-making.

2.1 Trust, Transparency, and Ethics in New Technology

New technologies are reshaping how consumers navigate digital spaces, offering transformative opportunities while raising concerns about trust, transparency, and ethics. As these systems grow more powerful and complex, consumers face challenges in understanding their functionality and trusting them for critical decisions. Ensuring explainability and usability is vital to building consumer confidence.

Transparency is equally crucial, as machine-generated content increasingly mimics human input, creating doubts about the authenticity of content and (for example) whether reviews that consumers rely upon to inform their purchase journey can be trusted. Clear communication about how artificially generated content is created, its data origins and system operations, is essential to maintain trust. Ethical concerns, including privacy risks, biases, and potential misuse for manipulation or misinformation, further complicate the landscape and can reduce market efficiency, as well as trust in media and institutions.

To empower consumers, tools like self-nudging, increasing technology literacy and stronger regulations may safeguard fairness and the autonomy of consumers to take decisions in their informed self-interest. Collaborative efforts among researchers, policymakers, and industry leaders are key to addressing these issues. Trust, transparency, and ethics are key to building a digital market environment where innovation aligns with consumer well-being and accountability for manipulative use of technology.

Guiding Questions

- What drives consumer trust in new technologies?
- What strategies can improve transparency in new technology particularly regarding data origins, system functionality, and decision-making processes?
- What ethical safeguards and empowerment tools are most effective in mitigating risks such as privacy violations, bias, manipulation or misinformation?

2.2 Tech based Recommendations and Decision Support

AI algorithms and machine learning tools are reshaping consumer decision-making, influencing preferences, behaviors, and purchasing patterns. AI-driven recommendation systems play a critical role in digital ecosystems, tailoring suggestions to individual needs and preferences across industries. While these systems simplify decisions and enhance consumer experiences, their influence varies by context, product category, and user familiarity.

Hyper-personalization, a defining feature of modern AI tools, offers opportunities to improve consumer satisfaction and engagement, but also raises concerns about consumers' over-reliance on black-box tools. Delegating consumption decisions to biased actors, which may use both intentional or unintended behavioral nudges, marks a shift from overtly influencing consumer behavior – e.g. by investing in the image of brands – to influences that may be harder to spot. These tools can shape consumer attitudes, sometimes reinforcing preferences or attitudes towards brands, influencing choices in ways that may not align with the individual consumers' goals and values.

AI is also advancing to automate decisions, reducing cognitive effort in areas such as financial management, meal planning, and healthcare. However, balancing convenience with consumer autonomy and accountability remains a key challenge, especially if the mental effort required to opt out of recommendations is artificially increased, as in the case of "dark patterns".

It is essential to explore how recommendation systems and AI-driven decision-support tools shape both individual consumer behavior and in aggregate create market trends, with an emphasis on aligning these technologies with consumer values, trust, and ethical principles.

Guiding Questions

- How do recommendation systems influence consumer decision-making across industries and different product categories, and what factors influence their effectiveness? How is trust in brands affected using these new technologies?
- How does the use of (hyper-)personalized tools impact consumer attitudes, behaviors, and long-term engagement?
- How can tech-based tools be designed to effectively support or automate consumer decision-making while preserving autonomy, trust, and ethical integrity?

2.3 The Impact of Interactions with Digital Assistants and Interfaces on Consumer Behavior

Advancements in hardware and software are rapidly transforming the way consumers interact both with technology and with each other. Devices such as mobile phones, smartwatches, smart glasses, robots, drones, and self-driving cars are becoming more intelligent, accessible, and seamlessly integrated into daily life. These innovations are complemented by increasingly human-like interfaces that foster social and intuitive interactions, leading to a greater share of consumer interactions mediated by technology. Together, these developments are reshaping consumer attitudes, behaviors, and decision-making processes, offering new opportunities and raising complex challenges.

Digital assistants and interfaces, whether virtual or embedded in physical devices, significantly influence consumer preferences and choices by providing personalized recommendations and automating tasks. Their adoption depends on factors such as ease of use, emotional engagement, and trust, while their growing role raises questions about autonomy, over-reliance, and ethical use.

The convergence of advanced services with diverse hardware ecosystems adds complexity, creating new interaction patterns and altering decision-making behaviors. It is crucial to explore how the interaction with these technologies impact consumer trust, choices, and behavior.

Guiding Questions

- What factors drive consumer acceptance and adoption of digital assistants and interfaces for decision-making tasks?
- How do digital assistants and interfaces shape consumer preferences and decision-making?
- How does the new combination of different hardware devices and AI services affect consumer behavior?

2.4 Living and Consuming in Virtual Worlds

Understanding the emerging role of gaming environments, virtual spaces, and the once-hyped metaverse platforms as spaces of self-expression and social interaction that shape consumer behavior – especially among younger cohorts.

Guiding Questions

- How do virtual worlds and gaming platforms shape identity formation and social interaction and habit formation?
- How does the interplay between virtual and physical identities affect consumer behavior and brand interactions?
- What drives the adoption and value perception of virtual products and services?
- How do virtual experiences shape consumer engagement and purchasing behavior?

2.5 The Impact of Social Media and Influencers on Consumer Behavior

Understanding how algorithms, influencer strategies, and platform designs influence consumer decision-making and brand loyalty, focusing on the mechanisms driving individual choices in social media ecosystems. Focuses on individual behavior shaped by algorithms, influencers, and platform design, emphasizing decision-making, trust, and brand loyalty.

Guiding Questions

- How do social media platforms and algorithms shape consumer exposure, decision-making, and engagement?
- How does information overload and hyperstimulation on social-media platforms affect consumer attention, trust, and decision-making?
- What factors influence trust and authenticity in influencer-driven content?
- How do micro-brands of influencers impact consumer behavior? How does this change the effectiveness of existing brands and umbrella brands?

3. Sustainability and Efficient Resource Usage in Consumer Decisions

Sustainability is no longer optional—it's a business imperative. Regulatory frameworks such as the EU Green Deal and global agreements like the Paris Agreement are driving businesses toward carbon neutrality, circular economies, and green supply chains. At the same time, efficient usage of scarce resources is becoming a critical focus as global supply constraints and environmental pressures increase. Consumers increasingly expect brands to demonstrate environmental responsibility, pushing businesses to align with evolving expectations. Insights into these trends are vital for market players to adapt strategies, maintain competitiveness, and drive meaningful change.

3.1 Green Consumer Behavior and Decision-Making

Understanding the factors that influence consumers' willingness to make sustainable choices and reduce the “attitude-behavior-gap”, including pricing, convenience, and perceived effectiveness.

Guiding Questions

- What drives consumer choices towards sustainable products and services?
- What psychological and societal factors drive resistance to sustainability initiatives?
- How do pricing, transparency and brand perception influence sustainable purchasing decisions?
- What psychological and emotional factors encourage long-term sustainable behavior?

3.2 Circular Economies and Smart Resource Use

Explores consumer attitudes toward repairability, recycling, and the efficient use of scarce resources in sustainable consumption.

Guiding Questions

- What are the key drivers and barriers to circular consumption behaviors?
- How do product design and regulatory frameworks impact circular economy adoption by consumers? Which regulatory interventions can have unintended consequences?
- What role do incentives play in encouraging repairability over replacement?

3.3 Systemic Behavioral Change for Sustainability – the Tragedy of the Commons

Examines collective behavioral shifts and the role of a common good perspective in driving large-scale sustainability transformations.

Guiding Questions

- What social norms and incentives are most effective in driving large-scale sustainable behavior change?
- How can businesses and governments collaborate to encourage systemic shifts in consumer behavior toward sustainability?

4. Innovation, New Product Development and the Changing Relationship of Consumer and Producer

“Markets are conversations. Markets consist of human beings, not demographic sectors. Conversations among human beings sound human. They are conducted in a human voice. [...] There are no secrets. The networked market knows more than companies do about their own products. And whether the news is good or bad, they tell everyone.”

- Levine, R., Locke, C., Searls, D., & Weinberger, D. (2009). *The Cluetrain Manifesto*.

The internet has dramatically changed how new consumer wants and needs are identified, how innovations and new products are created, launched and marketed, and how consumers form relevant sets and share opinions and experiences. Digital tools also allow consumers to become active co-innovators and even co-producers, shifting the traditional roles, relationships, and balance of power between consumers and producers.

4.1 Learning about what Consumers value, want and need for better product development

Knowledge about what users would find valuable is known as “sticky” as it is hard to extract from consumers’ heads. While the traditional approach of extracting and codifying consumer wants and needs still has value, the time pressure and complexity of increasingly dynamic markets requires new approaches.

Guiding Questions

- How effective is the use of consumers as user-innovators, co-designers and decision-makers in the innovation process, for example using User-Innovation Toolkits?
- Is the (perceived) value of products or services created by prosumers and companies in Kickstarter / crowd innovation projects higher than in traditional product development approaches?
- Is the rapid-prototyping “experiment first” approach that social media allows more effective and/or efficient than traditional product-development approaches?

4.2 Consumer reaction to New Product Design, Innovation Adoption and Market Failure

Examining new product design, disruptive innovations and the psychological, social, and cultural factors driving innovation adoption or rejection, focusing on trust, usability, and perceived value in determining market success or failure of the introduction of innovations.

Guiding Questions

- What psychological, social, and cultural factors influence consumer adoption or rejection of innovative products and technologies?
- What role do perceived value, usability, trust and brand perception play in the adoption or failure of innovations?
- What can businesses and innovators do to overcome barriers to adoption to minimize the risk of innovation failure?

4.3 Improving decision-making for innovation in dynamic markets

Accelerating lifecycles and increasing release frequencies in digital or technology-heavy products and services are changing the tasks and speed of Innovation, Product Development and Marketing, and the overlap between these roles.

Guiding Questions

- What happens when the responsibility for the “4Ps” are increasingly spread among different roles in the organization?
- How is the balance between creating value and communicating value shifting?
- How can market-facing managerial decisions be de-biased to reduce the risk of avoidable innovation failure?

III. New empirical methods for insights on consumer decisions and perceived value

Since NIM's founding, Prof. Wilhelm Vershofen has explored and developed new and innovative empirical methods of better understanding the attitudes, habits and market decisions of consumers, including understanding exactly what *value* – both tangible and intangible – they desire and expect from an offering in the market.

For more than 90 years, NIM has a strong tradition of both *developing* new ways of understanding the market decisions of consumers and *examining* new methods with regard to their validity, objectivity, reliability, and usefulness in practice.

We continue this tradition of solid empirical research methodology and checking how useful new methods actually are - against sometimes exuberant claims. To this end, we aim to understand both the soundness of the underlying principles and concepts, and to test new methods in practice – be it the promises of Data Science and AI in terms of insights from “synthetic” respondents, the hopes of AI automatically generating valuable strategic insights from “big behavioral data”, or the intelligent joining of diverse data sources, including bio-sensors, geolocation data, “smart” devices, etc.

Our objective is to help better map the empirical methodological landscape for understanding consumer behavior and market dynamics, debunk methods that overpromise, and promote promising methods that may still be flying under the radar of practitioners, policymakers, or journalists. Many new methods can be very useful given certain constraints, but these constraints or key underlying assumptions are often only implicit. If you are faced with a potentially groundbreaking new method of data capture, cleaning, analysis or interpretation, where you struggle to determine if its potential is being overhyped, or perhaps underestimated, and it is of high relevance to NIM's research agenda as outlined in this document, we should talk.

IV. Research collaboration with NIM – across disciplines

If you are an active researcher working empirically on problems that are a close fit to NIM’s research agenda on consumer behavior & market dynamics, we’d love to hear from you.

NIM offers different collaboration formats for joint efforts with academics in different stages of their career – from an informal sharing of notes via topical workshops, joint data collection or data grants, or full-fledged joint research projects with major investments by NIM.

We are convinced that the complexity of real-world problems in the area of consumer behavior & market dynamics can only be adequately addressed by collaborating across multiple traditional disciplines.

Our research problems require **perspectives from multiple faculties, disciplines and topic areas** joining forces. Here are some examples:

<i>Discipline</i>	<i>Topic areas</i>
Microeconomics	understanding how marketing, business models, and innovation / product development are changing
Macroeconomics	for modeling markets and understand the big picture of aggregated consumer decisions, as well as anticipating the (side-)effects of market interventions and market shocks
Psychology	for the perspective of judgement and decision making, biases, mental accounting and (self)nudging
Political Science	understanding how regulation intersects with markets, and different ways of dealing with market inefficiencies and inequality, as well as understanding how to best solve societal “public goods” problems
Sociology	for understanding societal trends, demographics and the effects of inequality
Computer Science & Data Science	for understanding the edge of what software can do with information and gaining new insights from qualitative and quantitative data
Anthropology	for understanding the cultural impact of technological and economic changes in markets
Medicine & Bio-Sensors	to observe the decision-making process and capture advanced sensory data, potentially including EEG and MRI
Engineering & Robotics	to understand the potential of what new hardware can do both in terms of behavioral tracking and changing consumer decisions
Philosophy	for the perspectives of ethics, manipulation and what constitutes “freedom” as related to decision-making