

How to be a customer champion: turning insight into action

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When I started my career in marketing with Ogilvy & Mather in the early 1980s, life was slower. Email hadn't yet been developed, so the arrival of the morning's post set the agenda for the day. Lunches – with booze, of course – were viewed as an important part of the day's business priorities; research respondents had to be found on the street by ladies with clipboards; and Nielsen reported on sales in the grocery sector bi-monthly, with a four-week lag, so it took a minimum of three months for any evidence of sales effects to arrive.

Today much has changed. Virtually everything is faster, but perhaps nothing more so than the availability of insight of every type.

Let's take the provision of grocery sales data as an example. From a leisurely three-monthly reporting lag of bi-monthly data, a research company such as dunnhumby can now provide hourly sales data for more than 12,000,000 shoppers within days of the actual event taking place.

Consider research recruitment: today dunnhumby can immediately identify purchasers of a particular product, invite them to participate in research through a message on their till receipt, telephone call or email, and have integrated feedback on attitudes and behaviours for the same customers within days. There has been a truly remarkable step-change in the speed and detailed precision of insight within the space of a few years.

THE PLANNING PROCESS – STILL TOO SLOW

However, one thing hasn't changed in all this time. And it's a thing that takes place in almost every marketing department soon after the summer holidays, but before Christmas. It happens, if you're lucky, in a luxury country house hotel and perhaps even allows time for the odd game of croquet.

I'm talking about the annual brand planning session. As annual today as it ever was: a fine out-of-office experience to provide the time to think deeply and strategically about brand strategy and tactics for the coming year.

Despite the massive increase in speed of almost every other aspect of the marketing process, the planning process remains resolutely fixed to the timetable of a bygone era. An annual process was about right at a time when it took months to get any feedback about consumers or the market. But given the speed and detail available from today's integrated insight sources, one can only guess at the number of opportunities missed by a planning process that is so slow and unresponsive.

Because the planning process is so slow, we find that many of the tools that marketers use remain on the same tardy timetable. New product launches are evaluated over months rather than days, yet samples of millions of shoppers allow the source of buyers, repeat rates and switching to be

monitored within days.

In an era of enormous price pressures, retailer power and consumer reticence, perhaps the greatest single opportunity for today's marketers to exploit is the ability to respond much more rapidly to the signals that the market and the customer can provide. For years marketers and their agencies have aspired, and indeed claimed, to keep a 'finger on the pulse' of the consumer. But to date this pulse has either been very, very slow as a result of the research lag we've all grown up with, or very, very qualitative and over-reliant on a few focus groups.

Today, however, there is little excuse for not demanding accurate, rapid feedback from the market and the consumer on a daily basis (see [Figure 1](#)). At the heart of this new capability lie a number of developments:

- the emergence of shopper loyalty schemes that provide rich, precise and rapid insights into consumer behaviour (today dunnhumby receives over 5 billion pieces of information from Tesco shoppers each week)
- the growth of the internet's influence, which creates a rich information source about interests, communities, transactions and requirements that can be explored at an individual consumer level
- The unstoppable digitisation of media, which is inevitably creating direct linkages between what is broadcast and who is receiving TV, press, radio and even poster activity; this will increasingly be directly attributable to their viewers, readers and listeners as the method of delivery changes and new measurement tools are developed
- the rapidly emerging possibility to 'connect the dots' of consumer insight, creating true links between all elements of the marketing world.

COMPOUNDED ERRORS OF TRADITIONAL MEASUREMENTS

Traditional efforts to connect data about different elements of the marketing process lead to decisions being founded on compounded errors (see [Figure 2](#)). This is because different elements have been measured by different companies, using different (normally small) samples, at different times and with different methodologies.

Today, we are beginning to experiment with true single-source data capabilities. The same consumer's awareness, media consumption, attitudes and behaviours are all measured continuously and coherently to provide what can only be regarded as the holy grail of marketing: linkage between cause and effect.

We can begin to do this by building on the breadth and depth of the shopper loyalty schemes that provide rich and accurate purchasing data on a huge scale. We can then overlay media consumption data from a variety of sources (e.g. press and magazine purchasing data from the loyalty scheme itself, TV viewing data from matched digital viewers) as well as awareness and attitudinal data from a panel of shoppers whose views can be researched, when required, by telephone, internet or in-store.

This means that for the first time, truly integrated insight is available; it's fast and it's built on robust samples.

TEST AND LEARN

In the light of these developments, we need to rediscover our desire to experiment. We have the ability to try things out and to take risks, because the scale of risk is much smaller if the feedback is quicker and more accurate. It doesn't have to be a national launch any more because data samples at a regional or even store level are so large now that they provide robust analysis. It doesn't have to be a TV region launch because advertising can be targeted more accurately to specific consumers through digital or in-store media.

Overall, perhaps the marketing industry at large needs to learn from the direct marketing sector and embrace the concept of 'test and learn'. Try something out, measure whether it works, and then decide whether to do more of it. (Having said that, it's probably time that the direct marketing industry learned that a 1% response rate is not a great result – think of the other 99%.) This experimental approach wasn't appropriate for many types and categories of marketing even five years ago, because it took so long to measure the market effect. Today, the market impact can effectively be monitored in real time providing a sensitivity and speed that should liberate creativity and responsiveness.

COLLABORATION RATHER THAN COMPETITION REQUIRED FOR GREATER EFFICIENCY

The other major new dynamic that this new era of insight, speed and granularity should herald is a shift towards closer collaboration between all those involved in the marketing of products and services. Given that the insight now exists to inform very rapid response to the market and consumer needs, it will become imperative for brand owners, media and retail parties to work more closely and more cooperatively with each other to maximise the available opportunities.

Many of the positions being adopted in the marketplace are the product of years of conflict, suspicion and lack of transparency due to the absence or slowness of feedback that used to characterise the business. Today, there is more to be gained from working together to experiment, respond to and learn from the market.

A GENUINE RESPONSIVENESS TO CONSUMER NEEDS IS POSSIBLE

Starting to use these new tools and capabilities will inevitably start to shift the focus of marketing organisations towards the needs of their customers, which can only be a good thing. Up until now, a huge proportion of marketing thinking has had to be based on intelligent guesswork because the feedback loop has been so slow.

We are now moving towards a happier state of affairs, where real consumer behaviours in response to marketing stimuli can be measured immediately. The key challenge for marketing subsequently changes from trying to find out what's going on, to trying to keep up with consumers. Another way of saying this is that the focus shifts from relevance to response.

To some extent consumers are already well ahead of brands in this respect. They don't understand why companies still deluge them with irrelevant messages and offers, nor why companies don't respond to information they have already given. People provide personal information, respond to surveys and express preferences. Yet few brands, retailers or services seem to be able to respond to their needs in meaningful ways within a meaningful timescale.

This will have to change, and the leading organisations of the future will be those that manage to embrace the potential of rapid, detailed feedback from their customers, and equally rapidly do something about it. As Jack Welch of GE once said:

'There are only two sources of competitive advantage: the ability to learn more about our customers faster than the competition and the ability to turn that learning into action faster than the

competition.'

What I've tried to demonstrate is a growing mismatch between the evolving capabilities to paint a dynamic picture of the consumer, on the one hand, and the ability, or will, of marketing organisations to grasp this opportunity of responding with more relevant offers on the other. Undoubtedly, there are some who have a vested interest in maintaining the obscurity that slower feedback loops have provided. It will inevitably be harder work to sell in that national year-long campaign in a world of rapid feedback where test and learn becomes the development mantra. However, ultimately the results will begin to speak for themselves and, if it works, then of course it will be extended (see [Figure 3](#)).

We must also all remain sensitive to the longer-term, softer impacts of marketing activity that accrue over time as our feedback loops accelerate, ensuring that we measure and nurture the slower-moving attributes of our brands in tandem with the faster-moving responses to ever faster changing consumers.

The more we know, the more we must do; but for those who truly subscribe to the notion that long-term business success is driven by satisfying customers then there probably hasn't ever been a better time to be in the game.



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NOTES & EXHIBITS

FIGURE 1: NEW TECHNIQUES AND TECHNOLOGY HAVE INCREASED THE SPEED OF MARKET FEEDBACK

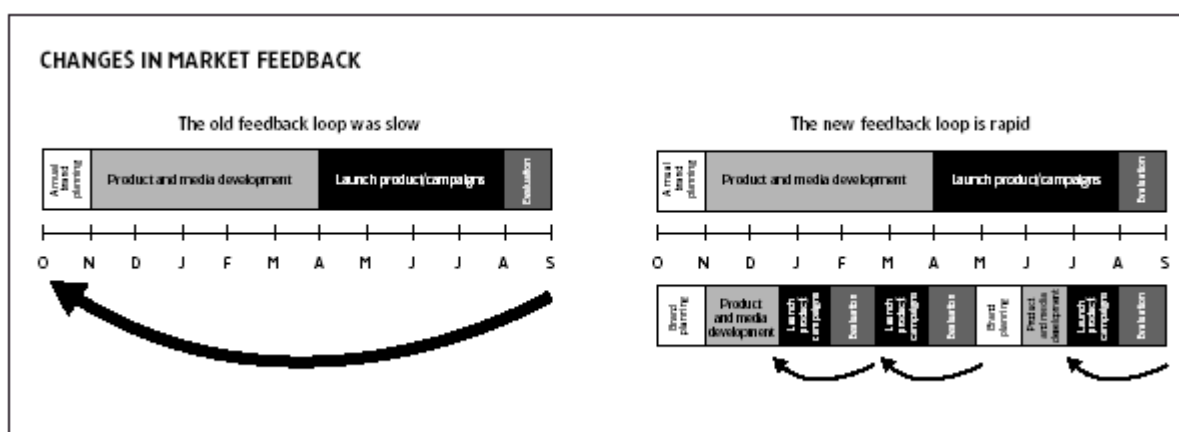


FIGURE 2: THE PROBLEMS OF LINKING SEPARATE RESEARCH SOURCES



FIGURE 3: THE EFFECTS OF FASTER MARKET FEEDBACK

