

Chapter 2

STRUCTURING MARKET RESEARCH DEPARTMENT AND PROCESSES FOR OPTIMAL IMPACT

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Introduction

Chapter 1 outlines a model for elevating the status of a market researcher to that of a trusted advisor. The chapter contends that the benefit to the organization of incorporating the role of trusted advisors in the market research function is that more meaningful market insights would be forthcoming. This benefit stems largely from the ability of trusted advisors to solve the “right” problem. The chapter then proposes two different processes for optimally solving two common types of marketing research problems (i.e., decision making problems and market learning problems). Both the processes require that market researchers reach a trusted advisor status.

Individual researchers can go far in providing valuable information and intelligence to clients when they have become trusted advisors and are accepted as such.¹ However, even more can be gained by *optimizing the organization structure and processes of the market research department* in such a way that insights are readily available to all the individuals who can potentially benefit from them.

Different levels of a firm judge a marketing research department by different criteria. Managers at the R&D and brand/product level are satisfied by the delivery of insights on a project-by-project basis. As discussed in Chapter 1, such insights can be delivered by individual market researchers who act as trusted advisors. However, managers at the senior level (including

chief executive officers) require more than just the results from individual projects. They require the department to deliver insights and actionable intelligence that create the most value for the firm. They evaluate the value-add of the marketing research department by its contributions to their understanding of product-markets as a whole. Their evaluation focuses on the big-picture impact of the marketing research department in addition to the contributions that the individual projects make. Thus we introduce the notion of *implicit* promise. The term “implicit promise” connotes that somehow the marketing research department is expected to deliver some insights to senior management without the senior management explicitly defining the problem as elucidated in Chapter 1. In addition, the term implies that the marketing research department has agreed to such a delivery. Thus, at the higher levels of the organization, for example, management may be interested in information that helps the firm boost sales or improve its competitive position in the market across all its products and services. Delivering on such implicit promise would mean that the research department knows how to allocate its resources optimally and prioritizes its resources so as to achieve optimal impact.

Chapter 2 shows how to deliver on implicit promise: How can a research department organize itself, and what processes and/or guidelines can it put in place to ensure optimal impact of its efforts? Included in the organization structure and processes are the choices the department makes in terms of the types of business problems it promises to address. If inappropriate choices are made, all other aspects of organization and processes will be largely irrelevant. The choices must be directly connected to both the business model and the critical success factors of the corporation.

Many large corporations diffuse the marketing research function into individual business groups. Although there are some advantages of doing this (e.g., nimbleness), in general the

advantages of a centralized marketing research department outweigh the advantages of a decentralized system. First, a centralized department ensures that research efforts are not duplicated. In a decentralized situation, there is a possibility that projects with considerable overlaps will be conducted by different business units. Not only is this wasteful from a monetary perspective and not only does this put unnecessary survey burden on the targeted respondents, but it also projects the organization and market research function in a poor light. Even if the possibility of overlaps does not exist, a centralized research department is better because it can help build synergies across projects, leading to less overall dollars spent on research and less burden on respondents. Second, although a decentralized research function creates an environment in which managers use more research, it also leads to a policy vacuum which, in turn, leads to less knowledge utilization and information search (Menon and Varadarajan 1992; Corwin and Louis 1992). Third, it can be argued that centralized research departments create an opportunity for career development and, thus, lead to the ability to attract more talented researchers. Fourth, a centralized department is optimal in terms of resource allocation and resource utilization. In a decentralized structure, individual researchers in one marketing department cannot be tapped easily for projects in other departments. Fifth, with a centralized function, each unit does not need to build all the competencies required to comprehensively execute the market research functions. Finally, establishment of a centralized marketing research department that is separate from user groups is akin (to some degree) to separation of church and state. That is, market researchers within a brand organizational unit might be unduly influenced by the brand managers and, thus, might find it difficult to recommend directions that go against conventional wisdom.²

In general, the preceding discussion points to the notion that a centralized marketing research department *can be* more efficacious than a decentralized one. In this chapter, we present the following key factors that determine the efficacy and efficiency of the centralized structure: (1) how the department is organized, (2) how the department establishes research standards, and (3) how the department disseminates the generated intelligence.

Marketing Research Organizational Structure Design

There are two key components that need to be considered in the design of a research department's organizational structure: (1) organizational interfaces and (2) the knowledge and competencies required of the department. Consideration of these two components will result in an effective and efficient departmental structure. Organizational interfaces are all the departments and individuals with which a marketing research department can conceivably interact. The interfaces determine the requirements imposed on a marketing research department in terms of what, for whom and when research is conducted. In turn, these determine the skills and competencies that are required in the marketing research department.

Organizational Interfaces

A marketing research department interacts with many departments and individuals, both within and outside the firm. Although a general list can be compiled of the internal departments that marketing research usually interfaces with and of the services that marketing research could potentially provide to these internal departments, the actual the departments that marketing research serves and the services it renders are idiosyncratic to the organization. This is because organizations are structured differently, and the requirements for market intelligence vary by industry and by the position the organization occupies in the industry. Thus, it is recommended

that a marketing research department expend considerable effort in understanding its interfaces. This will allow the department to (1) prioritize the research its conducts, (2) staff itself with appropriate skills and competencies and structure the department with appropriate roles and responsibilities, (3) design and plan its marketing research programs so that individuals at all levels of the organization are readily satisfied, and (4) identify other audiences within the organization who might benefit from a study conducted for a particular department or individual.

As a first step toward understanding general interfaces, Exhibit 2.1 shows a hypothetical research ecosystem.

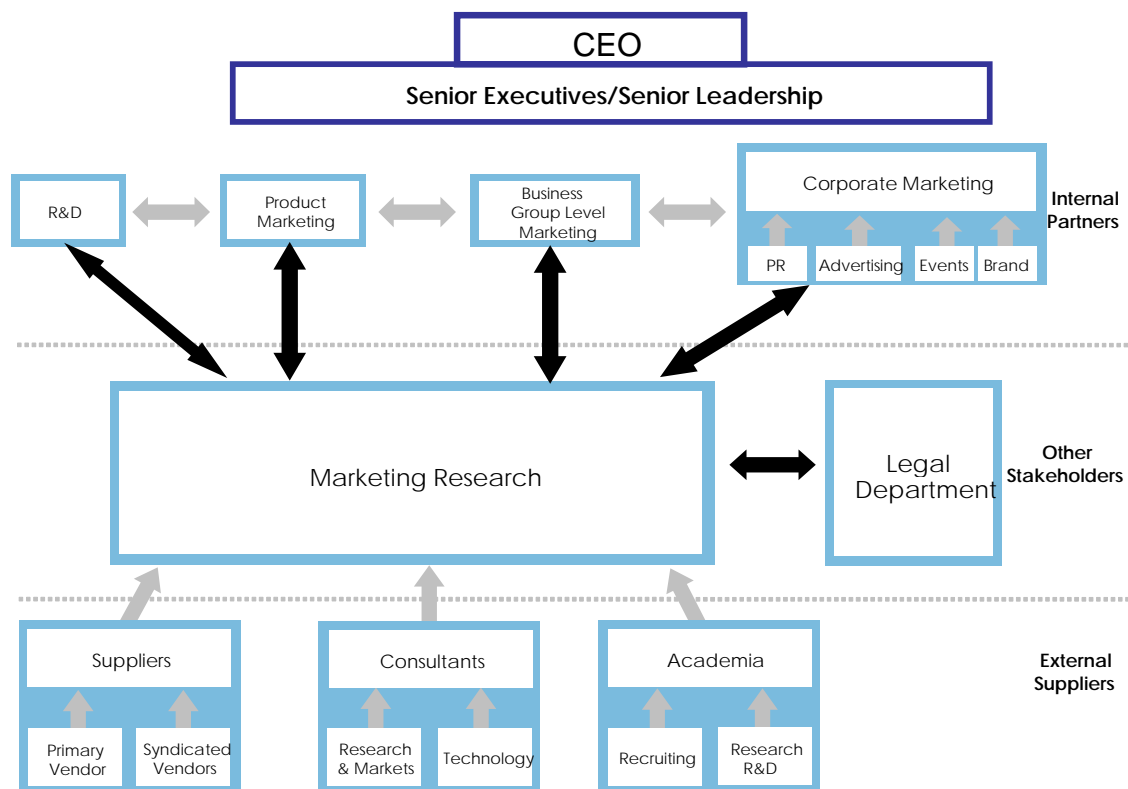


Exhibit 2.1: The Research Ecosystem

The upper part of Exhibit 2.1 shows some of the internal clients of a marketing research department. These clients can be categorized into hierarchical levels. For the sake of simplicity, we assume a three-level categorization. Level 1 consists of clients who operate at the level of a product, brand, or market manager. At this level, responsibilities are often focused on one product, brand, or customer segment. Level 2 incorporates more senior internal clients. At this level, responsibilities can include multiple products, brands, and segments. Level 3 consists of executives who could have broad responsibilities for profit and loss in business groups, or for functions such as R&D, legal, sales, and manufacturing.

The lower half of Exhibit 2.1 shows the external stakeholders – e.g., suppliers, consultants and academia – who interact with the market research department. In so far as that they are instrumental in the timely delivery of accurate insights to clients, management of these interfaces is also important. Among these interfaces, the relationship with the supplier is the most important. It is quite likely that because the marketing research department will be unable to handle all the requests of the clients, it will need to send some projects directly to suppliers. Therefore, it will need to evaluate its suppliers in terms of their expertise and professionalism. When a request for research comes in that does not benefit the marketing research department's involvement, it can be readily directed to an appropriate supplier.

Exhibit 2.2 lists a few interfaces and potential projects that marketing research might execute for these interfaces. This list is not complete or exhaustive and illustrates how marketing research projects are related to and are a function of the interfaces of the marketing research department. It hence underscores the importance of recognizing and studying interfaces. Some of the benefits of studying interfaces and mapping out the marketing research ecosystem follow.

Interface	Type of Projects
1 R&D	<ol style="list-style-type: none"> 1. Identifying the target customers for a potential new product. 2. Identifying the important needs of the target customers. 3. Identifying the salient attributes of the new product that will satisfy the needs of the target customers. 4. Developing the UVP (unique value proposition) for the new product. 5. Researching the different issues with all stakeholders for go/no go decisions during the new product development cycle. 6. Identifying and distinguishing among the early adopters, majority, laggards, and so forth. 7. Developing marketing strategies for each stage of the new product's diffusion. 8. Developing variations of the new product for culturally diverse markets. 9. Prioritizing the new product ideas for development. 10. Testing concepts and products in-home, test marketing, and so forth.
Corporate Marketing (PR, Branding, Events, Advertising)	<ol style="list-style-type: none"> 1. Researching customers, salespeople and other stakeholders to understand the needs of the marketplace. 2. Scanning the competitive landscape to identify opportunities. 3. Understanding technological developments for commercial opportunities. 4. Identifying the important issues for corporate marketing communication. 5. Developing corporate value proposition. 6. Developing and evaluating corporate promotional events. 7. Researching drivers of brand value. 8. Discovering and controlling for factors that affect corporate image. 9. Discovering and controlling for factors that affect brand image. 10. Engineering brand extension strategies. 11. Determining the efficacy of philanthropic and cause-related marketing strategy. 12. Explicating the pros and cons of supporting a brand community. 13. Selecting appropriate marketing messages to encourage brand awareness, comprehension, trial, purchase, and so forth. 14. Assessing the brand portfolio. 15. Measuring brand equity. 16. Balancing public relations and advertising. 17. Allocating promotional budgets among various channels for corporate campaigns. 18. Developing and evaluating advertising campaigns. 19. Tracking customer satisfaction across all products. 20. Determining and leveraging the drivers of customer satisfaction. 21. Evaluating and improving channel partner performance. 22. Identifying cross-selling opportunities, and pricing product bundles. 23. Conducting customer profitability analysis. 24. Conducting customer loyalty analysis. 25. Studying generic AIO (attitudes, interests, opinions), and usage. 26. Dealing with privacy issues of customers' information.
Product Marketing	<ol style="list-style-type: none"> 1. Segmenting markets, and choosing target markets for specific products. 2. Differentiating brands from competitors' brands. 3. Designing products. 4. Identifying product extension opportunities. 5. Monitoring the performance of products. 6. Measuring product quality and satisfaction. 7. Researching packaging strategies. 8. Developing the best go-to-market strategy. 9. Determining the optimal price and the best pricing strategy across segments and over time. 10. Learning the customer decision making process and decision making units. 11. Learning the customer usage and disposing behavior. 12. Researching the optimal product line. 13. Diagnosing customers' perceptions of all brands within a product category. 14. Designing and evaluating distribution strategies. 15. Designing and evaluating promotional strategies. 16. Estimating demand for brands. 17. Differentiating between different kinds of users (e.g., heavy, light). 18. Testing names.
Sales	<ol style="list-style-type: none"> 1. Identifying customers in different phases of purchase hierarchy. 2. Understanding motivators and inhibitors of product trial, purchase, and repeat purchase. 3. Understanding the motivators for the sales force. 4. Identifying potential customers. 5. Researching sales force effectiveness. 6. Generating lists of leads. 7. Developing objection-handling strategies. 8. Developing hot-buttons for different customers.

Exhibit 2.2: Interfaces and Potential Projects

As previously implied, mapping out the research ecosystem first of all helps the research department to identify the departments where it could have the most impact. With the mapping done, studying interfaces will enable the research department to strategically choose the internal departments with which it should engage proactively. Proactive engagement will prevent the research department from becoming an order taker that conducts reactive research as and when asked and will aid the research department to identify and select the right problems for research and solution. For example, a study of interfaces may reveal that the company relies on the sales organization for its viability. With the sales organization becoming a critical partner for the research department, the research department should help the sales organization optimize sales every week, every month, and every year. In addition, any research such as that which can help the sales organization meet quotas or identify customers who are most likely to switch from a competing brand, or that related to any one of the examples of projects listed in Exhibit 2.2 will be invaluable. Similarly, if the company relies heavily on R&D and product innovation, the marketing research department should make a strategic choice to work with this group. This would allow the research department to actively pursue new product ideas. In one study, Souder (1981) found that if the interface between marketing and R&D was harmonious, 51% of the new products were commercially successful; the success rate fell to 32% under conditions of mild disharmony and to 11% under conditions of severe disharmony.

A second benefit of studying interfaces is that it helps the marketing research department plan for and acquire staff with the right skills and offer or administer the right training programs for its members. For example, to engage with the R&D department, the marketing research

department in an engineering firm should have researchers and managers in place who are able to talk to the engineers. In prior years, when market research was conducted mostly for consumer package goods, it was acceptable for researchers to not have formal knowledge about the product and markets. For such products the basic, informal knowledge that market researchers had was considered sufficient in the field. However, as market research increasingly moves into more high-tech and specialized areas such as pharmaceuticals, it becomes necessary that researchers know and understand the products and the users/usage of the products they conduct research for. It would be difficult to conduct a credible research project in a high-tech area without understanding the product-market.

Thirdly, familiarity with interfaces allows the marketing research department to identify other departments that could use a study conducted for another department. For example, the public relations department may not commission research directly, yet may benefit significantly from the insights gained from a study of the company image. This department can then craft public relations strategies based upon the perceptions of the key stakeholders of the corporation.

Lastly, mapping out the ecosystem allows marketing research to better understand the roles and responsibilities of individual senior executives and identify the senior clients in the organization who would benefit from integrated insights from individual research projects.

Knowledge and Competencies of the Marketing Research Staff

In general, the competencies and skill sets that an individual requires to be an effective member of a marketing research department may be classified into six categories: (1) project management skills; (2) research discipline knowledge; (3) knowledge of the needs, power

structures, and processes of the internal clients; (4) business discipline knowledge; (5) product-market/domain knowledge; and (6) people management skills.

Among the six categories above, project management skills are the most basic and should be delegated to vendors as much as possible. If one vendor is not capable of providing reliable service, a new one should be sought. The second category, market research discipline knowledge, represents the core competency that every professional in the research department should possess. Individuals at the individual-contributor level *exercise* this competency day in and day out. Upper-level managers may not be *regularly* engaged in research design, but they must be knowledgeable about market research to aid in optimal problem definition and in making recommendations. It could be reasonably argued that in-depth knowledge of all market research techniques is not necessary in a department because that can be leveraged from vendors; sufficient knowledge, however, is necessary for having the ability to evaluate different proposals from vendors. An exception might be where a research department is large enough to warrant one or more in-house research technique gurus.

The next three categories of knowledge and competency requirements pertaining to needs, power structures, and processes of the internal clients, business discipline, and product-market/domain have already been addressed in earlier sections of Chapters 1 and 2. The final category of people management skills entails, besides other management skills, communication and persuasion skills. These skills are important because acquisition of insights is useless if these are not communicated persuasively and if the organization does not act on them. Insights, by definition, are new, and there is always resistance within organizations to new ideas. Thus, a researcher's persuasion skills prove important in the organization's acceptance and adoption of research recommendations.

In Exhibit 2.3 we illustrate the different stages of *development and usage* of the six categories of knowledge as a person advances in the organization. For the sake of illustration, we assume three levels of hierarchy - Level 1 represents the individual contributors, Level 2 represents the mid-managers and Level 3 represents the research directors.

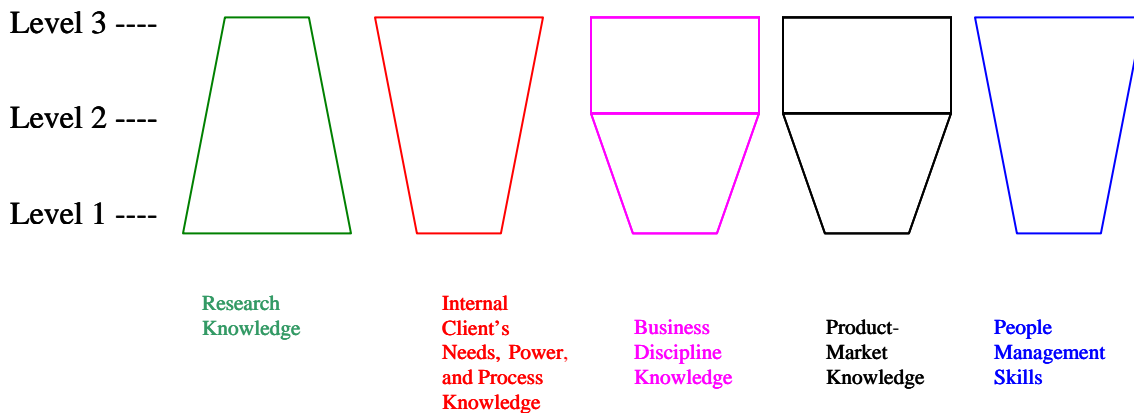


Exhibit 2.3: Knowledge and Skill Development and Usage Relative to Hierarchical Levels in the Research Department

The upright triangular figure for research knowledge in the exhibit shows that although research knowledge is required at all levels, its usage and the required details decrease as a person advances in the organization. Thus, the need to develop such knowledge also decreases. On the other hand, the inverted triangles depict that the requirement for the knowledge and skills they represent increases in upper hierarchical levels and the need for a researcher to develop these increases as the researcher advances in the organization. Finally, the patterns of the other two figures in the exhibit depict that the need for the knowledge they represent is the maximum

at Level 2. Both business (e.g., marketing, strategy) knowledge and knowledge of products and customers must be complete at Level 2.

Departmental Organization and Leadership

Having understood interfaces and skill requirements vis-à-vis interfaces and hierarchical levels, we can now develop an organizational structure design.

Most of the marketing research departments are structured in teams. Each team is responsible for a particular homogeneous research area, examples of which include tracking studies, one or more product-markets, and competitive intelligence. Each team consists of individual contributors, who design and manage research projects, and a team manager. In the simplified three-level structure that we defined for a market research department, the team manager reports to the research director.

Notwithstanding the structure of the department, there are several roles that a research department needs to execute for efficient and effective delivery of insights across the organization. We discuss these roles next.

Roles are determined by demand for insights. Demand for insights may come from individuals at any level of the organization, from the level of brand, product, or sales management to the level of chief executive officer. Also, such demands may be routine (e.g., obtaining new numbers from a tracking study), planned (e.g., obtaining facts and analyses for the business planning and review cycle), or ad hoc with high or low priority. The marketing research department should be structured and engaged in a way such that it is able to deliver information to the client “off the shelf” as much as possible. Only in the case of customized projects should it be necessary to take extra time for delivery. An analogy to a car manufacturer

who delivers assembly-line cars as well as custom-made cars is helpful to illustrate this point. The car manufacturer makes different cars for different segments, which, by and large, are available for delivery right when the customer wants them. In the case of a marketing research department, the customers/segments are the internal clients within the organization, and the products are insights into the company's products and customers. Similar to the car manufacturer whose assembly-line cars are ready for delivery at all times, the marketing research department should be ready for delivering insights at any point of time. In addition, just as the car manufacturer takes time to deliver customized cars, a marketing research department can take time to deliver the results of a customized project.

The car manufacturer conceptualizes and designs all the cars in its portfolio on the basis of the needs of its customers/segments. For each car, it designs its components and decides whether the components should be made in-house which should be bought from an outside vendor. It then assembles all the components to deliver the product. Similarly, the marketing research department should conceptualize the portfolio of insights (its products) that will satisfy the needs of the internal clients. Then it should design the individual components (individual research projects) and decide which components will be executed in-house and which will be bought from the vendors. If the design is well conceptualized, assembling the results from individual research projects when they come in becomes much faster and easier.

From this illustration, it is clear that the *integration* of findings from individual research projects is key to satisfying needs of all the clients. To accomplish such integration, we propose the following model in Exhibit 2.4.

	Product 1	Product 2	Product n	
Segment 1	Project A		Project B	SI ₁
Segment 2				SI ₂
Segment m				SI _m
	PI ₁	PI ₂	PI _n	

Exhibit 2.4: Segment and Product Integrators

The matrix in Exhibit 2.4 consists of rows that represent customer segments and columns that represent the organization's products. A research project is conducted for one or more segments and products. The exhibit illustrates two projects, A and B. Project A is conducted for Products 1 and 2 and Segment 1; and Project B is conducted for Product n and all the customer segments. Other projects should be diagrammed in the same manner. Each customer segment has one marketing researcher, termed **segment integrator (SI)** here, assigned to it. The segment integrator is responsible for collating the intelligence and information about that segment. Similarly, each product has one marketing researcher, termed **product integrator (PI)**, assigned to it. The product integrator is responsible for learning about the product and its competitors from all the relevant projects.

We had assumed for the sake of illustration 3 levels of internal clients and 3 levels of hierarchy in the marketing research department. An internal client at the first level is linked to a specific level 1 research project manager. At this level, unless necessary, there is no integration carried out of information from different projects. Clients at level 2 are linked to more

experienced and senior researchers, perhaps at level 2. These researchers take on the added responsibilities of segment intelligence and product intelligence integration. Depending on the workload a researcher may be assigned more than one customer segment and more than one product while also managing one or more projects. With linkage to integrators, internal clients at level 2 can be serviced on a real-time basis with more than just project-specific results.

An additional role essential for a marketing research department is that of a **relationship manager**. The relationship manager is responsible for satisfying the needs of the assigned client including integrating intelligence across the segments and products for which the assigned client has responsibility and conceptualizing and prioritizing the projects that need to be conducted for the client.

Level 2 managers in marketing research should serve as relationship managers for clients at level 2. The level 3 research manager should be designated as the relationship manager for the higher echelons of the organization. To the extent possible, the ranks of marketing research personnel should be matched with the ranks of their internal clients. This matching prevents marketing research personnel from playing the role of an order taker.

Finally, in some organizations, the focus and direction of the firm might warrant the appointment of **subject matter experts**, e.g., for customer satisfaction, new product design, and advertising testing.

Standardization of Research Components

Integration of intelligence and information is facilitated not only by designation of researchers to this function, but also by standardization of research methods (as much as possible). In terms of delivering integrated insights to higher levels in the organization,

integration becomes difficult if different research projects “ask and answer questions” in widely different formats. A standardized framework allows for easy comparison and, thus, synthesis of results. (This is not to say that triangulation and multimethods are not good ideas. They are good ideas, and have also been strongly recommended. Triangulation and multimethod-multisource serve a different purpose, that of validation.)

Standardization should be implemented in all the possible components of research, including (1) research design, (2) question and questionnaire construction, (3) result reporting, and (4) research process. An example of standardization at the research-design level would be that done for evaluating new product concepts. By using standardized approaches, different new concepts can be compared. Benchmarks could also be established over time as to how concept evaluation ratings translate into success in the market. Additional possibilities for standardizing research designs could be in the areas of advertising testing, in the process of generating value propositions and marketing strategies, and in the measurement of the perception of the customers and other stakeholders of the company’s products, services, and image.

Standardization at the question level means that the terms and scales used to ask key questions are the same. For example, if customers are asked to rate their satisfaction, the same words and scale should be used across studies. It might be necessary to ask questions that are idiosyncratic to a study, but the questions that are common to projects should be asked in the same manner. Obviously, the latter is *especially* applicable to tracking studies. In addition to giving the same format to questions, it might be helpful to ask the same set of questions in all relevant projects. This set of questions could be in the area of demographics, firmographics, screening for particular types of respondents, or in areas where integrated insights are required.

Standards should also be in place for reporting results whether they are in an email format or are being saved to a database or presented in a PowerPoint deck. Standardization at this level enables the informed reader to go through the key aspects that may be important to the reader with ease and speed. In addition, standardization makes it technically easier for results to be saved in and retrieved from a database.

Finally, standardization is also important for different aspects and steps of the research process, including, but not limited to: completing the initial research brief template; developing an initial research brief into a final version that has a succinct problem definition; prioritizing projects to ascertain whether they will be completed with or without the help of the research department or not conducted at all; completing the request for proposal form; and articulating of the deliverables and timeline.

Dissemination of Information and Insights for Maximum

Acceptance and Impact

Having proposed an organizational structure for the marketing research department and argued for a standardized approach to research design and execution, we now turn to how intelligence should be communicated to appropriate individuals and how it should be stored for future needs. A superior capability of gathering the right type of marketing intelligence can be a source of competitive advantage to an organization (e.g., Vriens 2003). However, there is strong evidence that using information better than competitors can serve as an even more valuable of competitive advantage. It has been argued that firms often fail to use the intelligence available to them (Maltz and Kohli 1996). Some authors have argued that sustainable competitive advantage depends less on who has the information and more on who is able to

make the best use of that information (Moorman 1995; Porter and Millar 1985). Thus, appropriate dissemination of information within the firm is critical for maximum usage. Before we present recommendations for storage and dissemination of information, however, it is important that we generate an understanding of two factors that influence acceptance of intelligence, and of two types of impact of intelligence on an organization.

Factors That Influence Information and Insight Acceptance

In the Introduction section of the book, it was pointed out that there were several characteristics that made a “finding” an insight. Of these, credibility and actionability are of particular importance in influencing the acceptance of the insight, and are explored next.

Credibility of intelligence is a function of the methodological rigor used to generate the intelligence or insight and of the validation of that intelligence or insight. Researchers should take care to emphasize the methodological rigor that has gone into the research. The key here is to communicate that all the steps possible (within the given time and resources) were taken to produce high-quality results and to highlight the strengths and weakness of the chosen research approach. Pains must particularly be taken to note and communicate weaknesses as part of information dissemination before users have a chance to point them out. In doing so it is also important to neutralize the potential ramification or effects of the weaknesses without taking away from the research.

The other important factor influencing credibility is validation. Validation offers some kind of authentication of the intelligence/insights. Validation can be demonstrated by more than one means. For example, researchers can show that the research recommendations have been implemented in a limited way and are being met with success or they can demonstrate that other similar product-markets are moving in the same direction as the research recommends.

Triangulation is yet another form of validation. It refers to the explicit demonstration of how the intelligence is consistent and in line with other intelligence. For example, reporting a decline in overall satisfaction can be supported by citing that recent focus groups have hinted at newly occurring problems or by mentioning that the firm has recently experienced an increase in the number of complaints filed.

Actionability is the other characteristic of information or insight that ensures its acceptance. It is a function of timeliness and of the degree to which intelligence can be translated into specific marketing actions. Timeliness refers to the delivery information or insight to the client before the decision making deadline. Naturally, any intelligence that becomes available after the due date of a decision will miss an opportunity for impact. For some marketing research problems, actionability will be obvious because of the way the problem was defined (see Chapter 1). For other types of problems, the findings and recommendations must be carefully developed so that there is scope for action. Without this potential for action, such learning will be considered trivial.

Exhibit 2.5 describes the relationship between credibility, actionability, acceptance and usage.

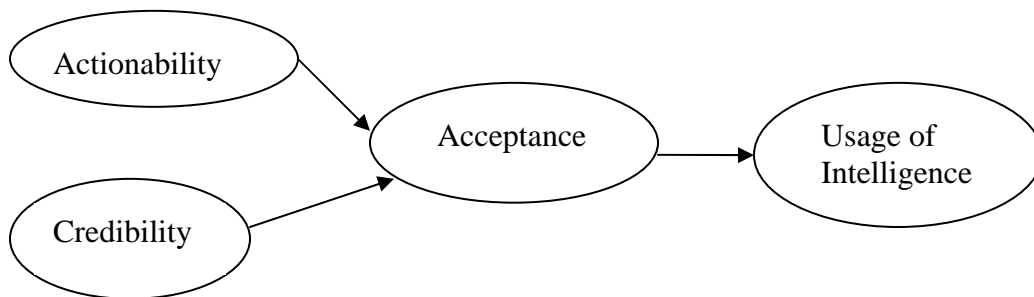


Exhibit 2.5: Relationship Among Actionability, Credibility, Acceptance and Usage

Types of Usage and Impact of Information and Insight

Several authors have addressed and discussed the types of impact or usage intelligence might have in an organization (Menon and Varadarajan 1992; Moorman, Zaltman, and Deshpande 1992, Wierenga and van Bruggen 1997). Adapting from the work of these authors, we discuss two broad types of impact that a research department needs to ensure: impact on decision making and impact on market learning. These two types of impact are consistent with the dichotomy presented in Chapter 1. **Decision making** impact of intelligence occurs when research is conducted to solve a particular problem that manifests first as a symptom. Thus, it can be argued that in this case the research is reactive because it is being conducted as a result of certain events in the environment. An example of a decision making research is the research that is conducted for new product development. At various stages, intelligence can be provided that will lead to a go/no-go decision.

In contrast, **market learning** impact is from research that is not guided by a specific well-defined problem that needs to be solved. Market learning problems are fuzzier and more broadly defined than problems that help in decision making. It is said that such research is conducted to develop managers' mental models. Managers, especially senior managers, have strongly developed mental models about how markets and their customers can be influenced. They become successful partly because of their skills in intuitively making good choices. However, business blunders are made every day, and it is well documented that both human judgment and decision making are subject to many flaws and biases (Hammond, Keeney, and Raiffa 1998; Mahajan 1992; Roxbury 2003). One of the biases is the over-confidence bias that results in a willingness to "commit resources without pausing to consider additional information"

(Mahajan 1992). Thus, intelligence can serve as “checks and balances” to confirm the manager’s intuition, complete an initially incomplete model, or correct an incorrect mental model. An example of a market learning project that develops executives’ mental model is an analytic project that uses multiple data sets to measure the effect of marketing-mix variables on a brand’s market share and sales. Through this project it may be found that though sales promotions increase sales, there is a significant dip in sales after the promotional period is over. It may also be found that advertising results in a delayed increase in sales. Over time, these improved mental models may result in changes in the decisions of executives about balancing the budget between different kinds of promotional activities.

Market learning projects may also be able to recognize that a new problem has emerged in the marketplace, or they may confirm the efficacy of the existing strategy. An example of a problem recognition type of market learning impact is if research uncovered a previously unknown key factor that drove customer behavior. Such a factor might have gained importance because of the recent changes in competitive developments. An example of an outcome from a market learning project that boosts commitment to existing strategy is an AAU (awareness, attitude and usage) study that shows that the aggressive quality-image-improving campaign is working, as evidenced by the consistent improvement on several quality image indicators.

As far as the methodology is concerned, market learning may occur by keeping a finger on the pulse of the marketplace, just as any tracker study does, or by conducting specific projects on issues related to AIO (attitudes, interests, and opinions), lifestyle, psychographics, segmentation, usage of product and so forth.

Dissemination of Information and Insight

This section deals with the key elements and means of successful communication and dissemination of information. The effectiveness of information dissemination depends upon many variables, two essential ones being - the type of information that needs to be disseminated and the audience that is targeted. We consider two types of information – that impacting decision making and that impacting market learning, and four sets of target audiences: (1) users at level 1 or 2 who directly consume the market research information to make decisions, (2) executives at level 3 for whom information is directly relevant, (3) users at level 1 or 2 who are on the periphery and can be considered as ‘indirect’ clients, and (4) executives at level 3 who are on the periphery and can be considered as ‘indirect’ clients. Exhibit 2.6 cross-classifies these two variables. Each cell in the exhibit enumerates the types of communication that would be appropriate for the type of information and the audience set it corresponds to.

Before getting into a discussion of the methods of communication presented in the different cells of Exhibit 2.6, we must emphasize the importance of researchers “talking” to clients as a method of communication. Researchers are known to hide behind PowerPoint decks or thick reports. They should be wary of the cliché about thick reports lying in offices gathering dust. Researchers must learn to talk to clients about what the results mean for the clients. Such talk should primarily focus on the problem that got the project initiated in the first place and should preferably take place face-to-face.

		Information Impacting Decision Making	Information Impacting Market Learning
Direct Internal Clients	Level 1/2 Users	<ol style="list-style-type: none"> 1. Initial verbal briefing 2. Detailed e-mail publication 3. PowerPoint deck 4. In-person discussion or working session 	<ol style="list-style-type: none"> 1. E-mail publication summarizing high-level implications of the research results 2. In-person briefing (if necessary)
	Executive (Level 3 users)	<ol style="list-style-type: none"> 1. Summary e-mail publication 2. Working session (if necessary) 	<ol style="list-style-type: none"> 1. Monthly summary of the results of all market research projects (with relevant ones highlighted)
Indirect Internal Clients	Level 1/2 Users	<ol style="list-style-type: none"> 1. Customized email publication with link to full Power Point deck 	<ol style="list-style-type: none"> 1. E-mail publication summarizing high-level implications of the research results
	Executive (Level 3 user)	<ol style="list-style-type: none"> 1. Summary customized e-mail publication 	<ol style="list-style-type: none"> 1. Monthly summary of the results of all market research projects (with relevant ones highlighted)

Exhibit 2.6: Recommended Dissemination Approach

Exhibit 2.6 presents some recommended steps for dissemination of the two selected types of information for the selected audience sets. Considering first the information that impacts decision making, the exhibit shows that communication to direct clients or users at level 1/2 of the organization should begin with a verbal briefing. If the researcher has followed the trusted advisor approach, convincing the sponsoring direct internal clients to heed the results should not be a problem because they are anticipating them. The verbal briefing should be followed up by an email publication that summarizes the key findings and implications of the research project and includes a PowerPoint deck containing the details. Next, an in-person presentation that focuses on both clarifications and answering questions of the user should be delivered.

Communication to direct clients at level 3 (executives) of the organization should entail only a summary email publication of the findings, results, and insights. If this client requests, the researcher may hold a working session with this executive.

For 'indirect' clients at level 1/2 the exhibit suggests that the researcher should send a customized email publication with a link to the full Power Point deck. Indirect clients at level 3, however, need only a summary of the customized email publication. For the indirect clients customization entails highlighting or presenting only the relevant portion of the results. It might be worth commenting at this juncture on the dynamics between marketing researchers and users which many times lack the ingredients of effective communications. It is common to find situations in which researchers loathe the idea of "selling" their research findings. They are resistant to that prospect and would rather that their clients willingly adopt their findings and express gratitude as well. For meeting the needs of clients and changing the field of market research as we are proposing to do in this book, we suggest that it is the job of researchers to ensure that their efforts have an impact. It is not sufficient that clients be sent big binders or large presentation decks. Rather it is important that the translation of market research findings into implications be carried out for clients.

Research results for market learning are easier to disseminate as Exhibit 2.6 shows. Not much elaboration is required here. With market learning, however, the frequency with which the information is disseminated becomes important. It might not be sufficient to disseminate these findings just once. To change individuals' mental models or to make them do something about a new problem that has surfaced, repeated prodding may be required. Maltz and Kohli (1996) found that for learning to take place, a minimum number of repetitions was required, and for anything below that learning did not take place.

A discussion on the subject of information dissemination would be incomplete without a special mention about tracking studies. Tracking studies deserve special attention because information from a particular tracking study, unlike information generated from other studies, may impact both decision making as well market learning. Many times, tracking studies are used for simple numbers such as satisfaction index, market share, and so on, which can be reported as such. However, when the important numbers change beyond expectations, personal interaction with relevant stakeholders to explore the reasons for such changes becomes a must. Tracking studies are also used often to inform strategy and help make business decisions. Thus, more so than ad-hoc studies, they need to be planned in such a way that they are aligned with the critical business planning/review meetings. This means that the research department needs to be aware of these critical meetings so that the full and final results from relevant tracking studies are available beforehand. In addition to having the results available sufficiently in advance for such meetings, it helps enhance the value of the results if their delivery dates are announced in the beginning of the year. This could be done by a “publication calendar” in which expected dates for all projects are publicized. Finally, analytics on data from one or more tracking studies could and should be conducted for market learning impact. These results should be communicated to all four sub-groups as listed in Exhibit 2.6.

Data Storage, Retrieval, and Processing Tools

Data collected and results obtained from marketing research projects should be stored in appropriate ways so that they are easily accessible and retrievable for further use and analysis at later points in time. It is beneficial to develop a database that is directly accessible to users of

intelligence through means such as an internal website with keywords to allow smooth navigation and easy retrieval of information. Standardization of information storage also makes retrieval straightforward and accurate.

To allow future users to manipulate the data for obtaining further insights and understand the statistical models resulting from research, the research department should implement interactive decision-support tools. For example, a decision tool might translate for users the coefficients of a model into estimates of how hypothetical policies might affect market shares, sales, satisfaction, image index, or other variables of interest. Details of decision-support tools are discussed in Chapters 12 and 31. A well designed and well implemented data storage and processing system will allow sophisticated users to even build their own models and decision-support tools. It is well recognized that organizations do not study and analyze data to the fullest extent possible, stopping at elementary cross-tabs most of the time. Simple analyses might be able to answer the pressing questions, for which the research was conducted, but more in-depth analyses are required for teasing out and revealing the host of other facts embedded in the data. Analytics of this sort could also be carried out over multiple databases that result in integrated insights.

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ENDNOTES

¹We use the words information and intelligence interchangeably.

²The value of centralization is greater when a corporation competes largely in one business sector in which all the business units and brands have common market dynamics than when it operates in many unrelated sectors (e.g., General Electric). In addition, for global organizations operating in countries with dramatically different cultures, the role of a centralized marketing research department may be limited.