

WITH THAT
AND THEY
WHY

For brands to retain and attract customers, they must be relevant and trusted – which requires companies to align their customer data with more traditional market research.

Tim Phillips reports

Where traditional surveys prove to be too expensive, too slow or unreliable, innovative researchers have been discovering the power of transactional data to tell the story instead. In 2013, for example, Thoralf Gutierrez and Vincent Blondel, of Louvain University, and Gautier Krings, of Real Impact Analytics, used data from a mobile phone company in Cote d'Ivoire to produce a detailed map of poverty. "Many developing countries do not have up-to-date statistical information about the state of their population," they wrote. "Surveys are onerous; they are not conducted very often... Even when they are conducted, their reliability is questionable."

Their insight was the behavioural observation that poor people topped up their phones with smaller amounts of credit, even if it meant they wasted time and ran out of credit more often. By mapping the top-up amount per transaction, using geo-location data, the trio measured purchase averages in each region (an indication of average disposable income), the variation in those averages (income diversity) and calculated the Gini Index (to measure inequality). The results were far more detailed, more up to date, and made more intuitive sense than census results. They used pre-existing data, and were quick and cheap to produce.

Finding new truths in passively acquired data can't fail to capture the imagination. The idea that this type of analysis might be all the insight you need is one theme of *Big Data*, the book by Kenneth Cukier and Viktor Mayer-Shönberger that

has become a sort of *Freakonomics* of this data revolution. Much of the book, and the many TED talks and interviews the authors have given, make uncomfortable reading and listening for market researchers. "In many instances, we will need to give up our quest to discover the cause of things in return for accepting correlations," they write. "Big data helps answer what, not why – and, often, that's good enough."

Cukier and Mayer-Shönberger assert that it is sufficient in many cases to know that C occurs when A and B happen, whether or not we research why A and B might cause C. At the same time, the cost of capturing A and B from transactional data is falling, creating a wave of creativity as analysts are empowered to play with data.

For example, techniques to establish causality by measuring what people do are moving from econometric textbooks to practical reality. In a 2014 paper in *Business Economics*, Professor Hal Varian – who wrote the textbooks for a generation of economics students, and who is now chief economist at Google – wrote of the potential for transactional data to establish the effect of treatments using automated experimentation.

"Google runs about 10,000 experiments a year in search and ads. There are about 1,000 running at any one time and, when you access Google, you are in dozens of experiments," Varian wrote.

"Now we have 'computer *kaizen*', where the experimentation can be entirely automated... continuous experimentation will improve the way we optimise business processes in our organisations."

While few data scientists would claim that data entirely replaces market research (Cukier and Mayer-Schönberger only claim "many instances", and Gutierrez *et al* needed previous research evidence to create their hypothesis), some researchers worry that it will

be crowded out by admiration for the scientists' boast that 'N = all'.

Ray Poynter, managing director of The Future Place and chair of NewMR, warns that this is already happening. "Big data looks easy to clients – the claims made by some vendors would make a second-hand car salesman blush," he says. "And there is a risk that the market research option will be ignored in the rush to get the latest, shiny, big-data toy."

Better evidence

For many researchers and organisations, however, market research and data analysis are not in competition with each other. The hunger to make decisions based on better evidence can be a benefit to both, especially for those applications that synthesise research with transactional data analysis. Poynter picks out Sky's insight department as an example of where research and transactional data combine, with "one showing where to dig and the other doing the digging".

This is the 'sweet spot': where each discipline benefits from the other. To

“Big data looks easy to clients – there is a risk that the market research option will be ignored in the rush to get the latest, shiny big-data toy”

identify and exploit this will require a profound shift in emphasis for many research agencies. Researchers who invest in a data specialisation or partner with other agencies that provide analytics – or become 'data shepherds' for multiple data sources – will more often be involved in long-term partnerships with clients. They will be expected to build insight delivery into the client's decision-making tools. Many will have to cut back on their investment in surveys in the face of superior data sources. It's a high-stakes proposition: if they ▶

are successful, they might achieve a more strategic role for their clients. However, this comes with risk; it might even become possible to pay them according to how much value their insights create.

The trouble with transactions

When data analytics is credited with spotting disease or predicting crime, it doesn't claim to explain the choices and decisions that people made. However, for commercial applications, it's necessary to know why something happened. This is often the foundation of the pitch for market research – that data can tell us what, but research tells us why.

Notwithstanding Google's success at establishing causality using experiments, this has some truth: transactional data only captures what can be 'datafied' as part of the customer relationship. At a basic level, this means even the most advanced loyalty programme can't track customers when they choose to shop at a rival. For example, the causes of what Tesco's Clubcard analysts used to call a "hole in the basket" are obscure: shoppers defect for price, service or convenience, and usually for more than one motivation. They might even have stopped buying the product.

Detailed data analysis might be able to tell us more about the nature of the hole, but, usually, the most convenient way to discover why people do something is to ask them. If our recollection of why we acted is imperfect, or tainted by well-known biases, then at least research can provide a working hypothesis to test, using an experiment or a promotion.

Colin Strong, managing director of Verve Ventures and author of *Humanizing Big Data*, says responsibility for the what-why distinction has always been blurred, and is becoming more so. The industry can improve the quality of a 'what' analysis, he explains, by creating environments in which



people feel there is an advantage to voluntarily submitting data that isn't part of a transaction. He points to midata, the UK government's initiative to allow people to see the data that is held about them. "The research industry can be part of the 'what' without necessarily doing surveys," he says.

It's perhaps more accurate to say that research can improve the quality of the 'what' and introduce a 'why' that transactional data can resolve through experiments or analysis. However, to do this, organisations will have to mitigate the weaknesses of their transactional data. Researchers know how to do this, because solving these problems – or, at least, warning about them – has

always been a fundamental part of the survey process.

No data is raw

We are constrained by what can be measured and what has historically been measured. In the book *Raw data is an oxymoron*, Lisa Getelman explores the problem that data is not discovered – it is generated. By choosing what to measure, how to measure it and who gets measured, transactional data is 'cooked' even before it is analysed in detail.

"The phrase raw data – like jumbo shrimp – has understandable appeal," she writes, but adds that this involves the "assumption that data [is] transparent, that information is self-evident, the

fundamental stuff of truth itself".

Even the assumption that 'N = all' – that a large data set must be representative because it's big – isn't often true. Claire Emes, chief innovation officer at Ipsos Mori, says: "These data sets tend to contain systematic biases. For example, we did some real-time analysis of Twitter during the [General] Election, but we were constantly reminding people that only one in five people is on Twitter, and half of them are under 35. You can't really use it to draw conclusions about the public mood, even if there are hundreds of thousands of people – I'd still rather have a representative sample of a thousand."

LINKING INSIGHT TO OPERATIONS AT O2

Head of marketing effectiveness Nick Milne on how the telecoms firm is benefiting from data analysis

"The biggest challenge was pulling all our data into a single place to make the most of it," says Nick Milne, head of marketing effectiveness at O2. That's a familiar challenge for all businesses, but O2 has integrated brand tracking, satisfaction tracking, touchpoint surveys, billing data and network performance data to create a single application that records what users have done, how O2 has performed, and what users think of it, and suggests the best action to take – all in near-real time.

In the past two years, Milne, his business intelligence team and research partner Quadrangle have been building a system to respond to two challenges that are common to many retailers: first, that its market is mature and so not growing quickly, leading to a need to retain customers; and, second, that the customer has more power, either to make their complaints heard or to shift to a rival provider.

O2 has been monitoring customer satisfaction by surveys since 2002, using its CSI tracker, which is not used globally by Telefónica. It includes measures of satisfaction and questions about what drives that satisfaction. In 2012, O2 took it a step further, by building a model

of the lifetime value of customers, using long-term analysis of its tracking data. This led to a powerful insight: while O2 had been focusing on developing fans, it discovered the greatest commercial return would come from reducing dissatisfaction.

"That was a real catalyst for us, being able to say with robustness why a particular group of dissatisfied customers was important to us," says Milne. "It gave us much more internal leverage – for example, presenting to the board."

Precise measurement

The outcome was a mandate to find the link between network performance, customer spending, satisfaction, real-world behaviour and lifetime value. In this, O2 has an advantage. "We have the mobile phone number to identify the customer," says Milne. "Most businesses have to rely on CRM systems or sales data. We have a head start."

This means O2 can measure precisely what customers have done and target them by location or spending patterns, or survey customers whose behaviour is changing, at the time it changes.

It has resulted in innovations to the way O2 uses research – and a demand for different skills from Quadrangle, including, for

example, more short, touchpoint surveys based around significant events, to capture insight into the customer journey as the customer perceives it.

Using robust measures of how a customer's satisfaction of events changes revenue – and how operations shift that satisfaction – the focus for transactional data is shifted to how O2 can change the future, not analyse the past.

"Now you can bring in network data and geo-location. Mobile operates in a privileged place in this way," explains Nick Baker, group CEO of Quadrangle, which has worked with O2 to generate the touchpoint and satisfaction research, and to integrate it with transaction data. The goal is to create a measurable and predictable benefit from insight.

"In 12 months, I want the business to be confident that what we are telling it is going to help it hit its targets, and that those targets are the right measures because we have listened to our customers," explains Milne.

Another challenge for Quadrangle, therefore, is to help build insight into a rapid decision-making process, so that O2 can react at the right time, in the best way, to events that create dissatisfaction – for example, its recent network problems. That

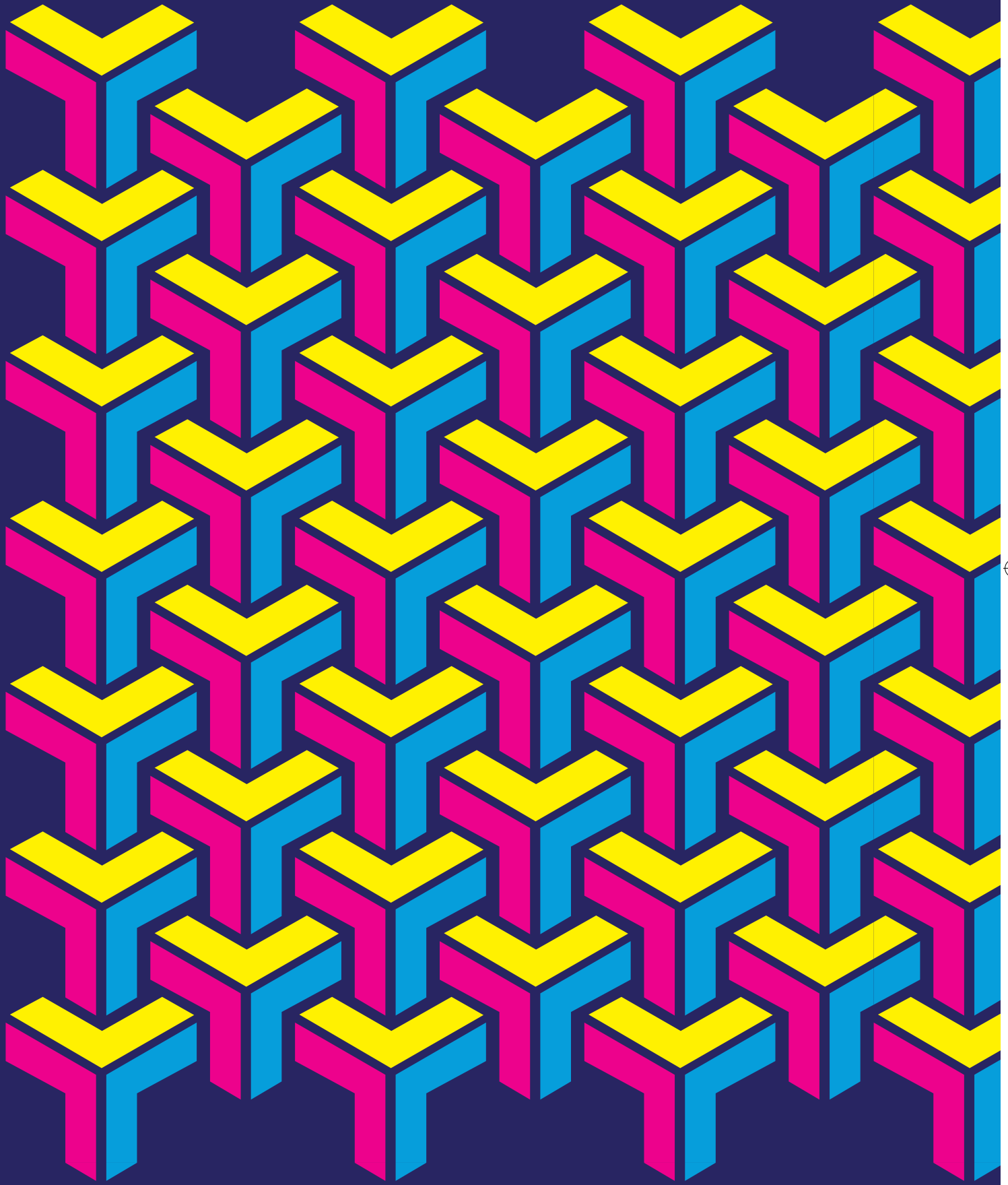


Nick Milne

means creating insight that suggests what to do next.

"You need buy-in from the business, but – once you can do a proof of concept – you can talk to operations people and tie it up with actual performance," says Milne. "Once people in the business get it, they realise it brings meaning to everyday decision-making."

It means being sparing with the insight that goes on the dashboard. "We got into a cycle, maybe two years ago, where we would tell stakeholders everything about everything," admits Milne. "Now we focus more on the things that really matter. It's important you don't go down the blind alley of 'isn't it fantastic that we can do this, but so what?' What's the benefit?"



► **Behavioural data alone is inconclusive**

Measuring more – even accurately – isn’t always measuring better. Capturing many variables doesn’t necessarily lead us to a conclusion, especially when we are trying to model complex decision-making or choice processes. For example, covariant variables may ‘steal’ importance from each other. Are we happy because we are rich and have friends, or do we have friends because we are rich and happy – and how relatively important are wealth and friendship? Because all three variables move together, slightly different statistical models may conclude that money is more important than friendship, or that friends are all that matter, using the same underlying data.

At worst, analysis – even on a representative data set – reaches false conclusions because it uses the wrong model. “I was talking to a head of analytics at a media company,” Strong says. “She was saying: ‘I’ve got mathematical geniuses sitting in my office, but they often bring me stuff that I look at and say, “that makes no sense. Consumers would not do that”.’”

Transactional data reflects the world as it is

Is this a weakness? It is if the priority is to change that world. Transactional data may make clients more efficient, more aware of their customers, or more profitable: these can be instrumental goals – or even symbolic ones, justifying a decision that has already been made. By definition, transactional data simply cannot deal with counterfactuals. It may uncover problems that are the starting point for big-picture innovation but, after that, it is of limited use for conceptual research.

Google’s technique of performing automated A-B experiments can investigate ‘what ifs’, but this will rarely lead to disruptive innovation. When economist and political

scientist Joseph Schumpeter described the process of innovation as “creative destruction”, he wasn’t thinking about changing the location of a button on a web page.

Guy Champniss, associate professor of marketing at Henley Business School, and the founder of Meltwater Consulting, experiences this problem: “Some people are sacrificing foresight for accuracy. All the data set can do is drive efficiency. I’m not convinced that the focus on data can improve effectiveness. It doesn’t allow us to think how we can redesign the experience of our customer. It allows you to tweak it, but it’s all incremental.”

Even this incremental efficiency might not be useful in the long run, or for all customers. Champniss has also conducted research into how we react to being targeted (often retargeted) using transactional data.

“**Transactional data may uncover problems that are the starting point for big-picture innovation, but it is of limited use for conceptual research**”

The research shows that what he terms “hyper-personalisation” lessens brand attachment in many cases. Put simply: it freaks us out.

His research shows that trust in a brand – not captured in transactional data – may determine how you respond. “Instinctively, there are certain brands in each category for the consumer where you would give them the benefit of the doubt and you’d be less likely to be creeped out. Many of those brands are proven to be trustworthy and reliable. Take Amazon. Fantastic customer service gives it extraordinary licence to use the data that I generate through transacting with it to make a recommendation.”

These limitations demonstrate that using transactional data alone is a

partial solution to the big question for businesses: what do we do now? Despite the hype around data, surveys, trackers and other tools are still part of strategic decision-making. If we could integrate the two disciplines – as Nectar (see box, ‘Nectar’s one-eyed stick man’, p35) has done – there is potential to exploit the best of both. Which leads to another problem: insight generated from transactions, and insight generated from traditional research, often live in different locations and follow different paths through an organisation.

Emma Macdonald, research director of the Cranfield Customer Management Forum – a club of companies that meets regularly at Cranfield University – has studied this problem in detail. In a 2015 paper, ‘How organisations generate and use customer insight’, Macdonald and her co-authors researched four companies from different sectors that faced this problem. “Organisations are not structured for data to flow in the way it should. Organisations are often hierarchical and top-down when it comes to using data, and so information gets blocked by the hierarchy,” she says. “They need someone with a skill to bring that knowledge together.”

The consequences are familiar: research that is often not assimilated outside the insight function, or that is not useful as a decision-support tool because it is too detailed, too hard to understand, or simply not available; research that runs parallel to transactional data, but is never formally integrated with it.

The paper explains there is a need for “insight providers [who] can also beneficially look further along the demand chain to the research function’s internal customers, not just to support dissemination of insight but to align the value these users require with insight form, as well as insight content.”

Or, in Macdonald’s words, the

► internal or external research department's job is "not providing reports, but being a partner".

The experience of organisations such as O2 and Sky show that this is possible. By integrating traditional research with large-scale data analysis, a hybrid discipline holds out the possibility of a mutually beneficial 'sweet spot'.

What's the use of research?

Locating this sweet spot will, says Emes, require a change in emphasis for some agencies, away from monolithic projects to embedded, continuous feedback that links to operational performance. "If you set up a huge 'use and attitude' study across multiple markets – and it takes you 12 months from when it's commissioned to when you do your final presentation – the people who asked the business question at the outset are on to something else. We need to pull together the best insights we possibly can, and make sure

they're relevant and timely.

"We are moving from a single source of data – a big project – to multiple data sources; moving from standard analytical techniques based on that one data set to more predictive modelling; from doing research into a big strategic decision to more immediate decisions, made quicker. We do fewer big presentations and more ongoing feedback to our clients.

"This shift to incremental, rather than monumental, research is a trend that we'll continue to see, and it's fostering a closer partnership with our clients."

Group CEO at Quadrangle, Nick Baker, explains how working with O2, the Inland Revenue, and others has changed the direction of the agency. "This is about connecting data, and connecting it to the business. There's not a lot of people that will do this – and there's certainly not very many people that do it very well," he says.

To be relevant, agencies will need to

invest in the skills to understand and model data at scale. The clock is ticking for researchers, Baker warns: "If you don't start doing some of the right things now, you are going to get left behind, and it will take you a long time to catch up. You start three years late, you end up 10 years behind."

So what might the right things be? There are many opportunities to mitigate the weaknesses of transactional data, and build projects that exploit the best of both. In this, market research has skills that are in short supply.

Audit data

Given that transactional data, acquired passively, is often biased, incomplete, 'noisy' or just hard to understand, the long-established skills of a market research company are more valuable than ever.

"We are in a very good position to understand the data provenance – to be able to understand, fundamentally, how representative data is. We have all this stuff imbued ►

WHEN 'SIGNIFICANT' ISN'T SIGNIFICANT

Simply mining large data sets for correlations can produce misleading results, especially when considered in isolation

"We submit that marketing's emphasis on statistical significance is misplaced, especially in the new world of big data... statistical significance is easy to find, but not necessarily important." This is the introduction to a recent paper in the *International Journal of Market Research*, by Rachel Kennedy, John Scriven and Magda Nenycz-Thiel, of the Ehrenberg-Bass Institute for Marketing Science, University of South Australia.

The problem they identify is that, when a data set is large enough, traditional tools used to infer a relationship between two variables can be misleading if practitioners simply crunch the numbers. The statistical concept of 'significance' is based on a test of whether a result could have occurred by chance – the p-value. If this is less than 0.05, the probability is less than one in 20 that it was chance.

Kennedy *et al* point out a problem for analysts who simply mine large data sets for correlations: using this method means that almost every correlation – even a very small one – is reported as statistically significant. This, and other effects, led Professor John Ioannidis, of the Stanford School of Medicine, to publish a paper in 2005, 'Why most published research findings are false'.

Kennedy, an associate director at the Ehrenberg-Bass Institute and an associate professor of marketing at the University of South Australia, argues that – even if the correlation can be replicated – it often doesn't matter. Instead of striving for unexpected insights, she says, market researchers "typically need to be more concerned with the wider context of what is already known".

"If we continue to focus on statistical significance rather than

robust evidence-based knowledge, we won't get the answers to the big questions facing our discipline. We will continue to have many studies, but not much breakthrough, exciting knowledge," she says.

For example, using transactional data alone for segmentation relies on finding statistically significant differences. A researcher looking for novel findings may overvalue results that are unimportant, operationally, Kennedy says. "Such differences matter far less than most marketers are led to believe – the evidence for brand growth tells us that, to be big, a brand needs to be inclusive and appeal to as broad a base of category users as possible. Here, differences in segments do not really matter, especially if they lack stability across time."

Transactional data sets used in isolation may also distract us with quirky results that don't

matter to a client, rather than important deviations from what we would have expected, based on prior knowledge. To help solve this problem, Kennedy recommends a Many Sets of Data (MSoD) approach, rather than significance testing alone. This can be done by comparing transactional data to existing survey results, or even slicing the same transactional data in different ways to find robust relationships in the data. Both methods focus on comparing many samples, to identify where things are significantly the same, not simply where they are significantly different. As a result, local deviations from a model established using MSoD are more likely to be both significant and important.

"Without starting by looking at what we already know, we approach every data set as something different," Kennedy warns. "It rarely is."



in us from the day we start in our companies,” Strong says.

“There are numerous researchers who both understand consumers and also understand where the numbers come from. We should be having a point of view on this.”

Emes adds: “As long as we’re aware of these systematic biases and skews, then we can adjust for them, be aware of them, or use other data and market research with representative samples to help us bring in some of the rigour.”

The ‘datafication’ of behaviour is an example of this. Using technology to automate life-logging, for web tracking and for following multi-device customer journeys, can radically improve the quality of transactional data by quantifying consumer behaviour in a larger sense. However, it needs to be manageable and rigorous.

The definition of useful data depends on what it is being used for. While much of the excitement

“Without knowing more about the customers’ motivations, the best analysis will not help managers to make better decisions”

around large data sets is how much we can integrate – transactions from sales, performance from operations, satisfaction from marketing – it would be rare to use the full data set for any effective research. So, in deciding what sliver of the data to take, we need a well-structured question or set of objectives.

Champniss says that having lots of data can divert an organisation into setting easily measurable goals, which may have little – or undefined – business meaning.

“Market research still has an incredibly important part to play here; it is working out how any of this is ultimately going to add value

for the consumer. That link is sometimes lost: we talk to the client and the client has the objective of 100,000 Facebook likes, for example. What does that mean? More to the point, how are you going to work out what it means?”

This can also affect segmentation analysis. As Rachel Kennedy points out (see box, ‘When significant isn’t significant’, p32), analysing a transactional data set can produce statistically significant segments that make little intuitive or operational sense to the rest of the business. Without knowing more about the customers’ motivations, the best analysis will not help managers to make better decisions.

Creating a win-win

Knowing more about the consumer means understanding what the consumer sees as valuable, and balancing that with operational effectiveness. As Champniss pointed out, this is different for every brand. Research can build in long-termism, resisting the temptation to play consumers like a pinball machine.

For long-term success, Strong argues, companies need to demonstrate and articulate why consumers benefit from big data. Research can uncover attitudes to subjects such as privacy, but it also needs to explain the mutual benefit of cooperation. “If what we do is simply extract data from consumers to provide value to brands, which then extract more money from us, that’s clearly a dead end... Fundamentally, the industry needs to be able to demonstrate the value of what we are doing to the general public.” This helps avoid the creepy feelings that Champniss measured, but also helps to ensure long-term participation – for example, encouraging the use of loyalty cards.

Deploying high-value people

The skills to create the hybrid of transactional and research data are

NECTAR'S ONE-EYED STICK MAN

Combining transactional and attitudinal data can give you 20-20 vision

"Where transactional information and attitudinal data come together is crucial to our business," says Nectar managing director, Will Shuckburgh. "With attitudinal behaviour, we go from a one-eyed view to 20-20 vision of the customer."

In 2012, Aimia, which owns Nectar, established an intelligent research (IR) division to combine attitudinal surveys with data from the Nectar database. While Nectar captures transactions from its 19m cardholders across 20 brands, it found it could improve the quality of its research for partners by establishing a panel of Nectar users, who are surveyed on the reasons for their purchases and their feelings about the brands involved.

Shuckburgh explains that profiles built from transaction data are "like a stick man". "We use [IR] to help Nectar partners and FMCGs that are keen to know how their brands perform in Sainsbury's," he says. "It allows you to understand trends underlying the data, but – with the transactional element – we can cut

through stated, rather than actual, behaviour."

Nectar has some advantages in its transactional database: for instance, unlike most proprietary loyalty programmes, it can aggregate a wide range of behaviour from its 20 partners. However, this does not get close to understanding why different groups of customers act as they do.

An example was IR's analysis of shopper behaviour during the recession: it combined the transactional behaviour of Nectar users with a panel of around 2,000 shoppers, to create four segments – Life as usual, Copers, Anxious pessimists, Optimistic millennials. This segmentation reflected observed behaviour – whether they had switched brands, or whether they shop online, locally or in large stores – and investigated their feelings about the future, and their reasons for behaving as they did.

The result was a more coherent and precise segmentation: the basis of the analysis was observed, rather than stated, behaviour – but



Will Shuckburgh

transactions alone would fit many shoppers into more than one of these broad segments. What mattered was that each segment would respond to a different marketing message.

IR's insights extend to Nectar's own business. Its transactional data suggests that the value of redemptions is the major driver of the relationship. However, this suggests only one course of action: a higher incentive. Attitudinal research helped Nectar to discover that a large potential driver of loyalty is how memorable the redemption is.

Combining the types of data isn't all good news: Shuckburgh admits that the stated behaviour "I would use my loyalty programme to donate to charity" doesn't begin to show up in the data.

in short supply. As regular reports about the lack of data scientists imply, many organisations feel they are light in expertise.

Emes argues that by investing in those skills as centres of expertise, agencies can deploy them during the project-design phase. Ipsos Mori has created a behavioural data centre based in the US, and a data science team in the UK, and uses those skills for clients when they are needed. This re-uses their experience and allows smaller projects to access the best expertise.

Strong believes that, in the long

run, a powerful 'sweet spot' will be the ability to pool transactional data outside the boundaries of the organisations that generated it. By creating an environment in which the individual feels in charge of their data, he argues, that person will be willing to give trustworthy organisations access to it.

By discovering and defining a socially useful outcome for a particular group (better health, better financial management) – and explaining and demonstrating the benefit – the long-term future is for the combination of research and big ▶

data. Baker, at Quadrangle, agrees: the liberalisation of access to automatically generated data will shift the emphasis from the generation and curation of private data to the creation of useful knowledge by combining open sources. The most effective analysts will be ‘data shepherds’ – finding out what’s available, and using their talent and knowledge to combine sources.

Making big data better

This is even a requirement inside the organisation, as Macdonald’s research shows. She uses the same language to describe how to create value from multiple sources of data. “Research agencies may need to take on a ‘shepherding’ role to help insight make its way around the organisation to overcome the obstacles of hierarchy and silos,” Macdonald says.

To discover the sweet spot, a final

attribute that the research community may need to invest in is humility about the long-term value of some of its quant work. For all the flaws in transactional data, it trumps the quality of much survey data because it records what happened, rather than what people remember or believe happened.

“Market research is awful at telling you what people actually do, but it’s very good at giving you answers – because people give you answers if you ask them questions,” Baker jokes. Instead, there’s the opportunity to enhance transactional data; this type of research can focus on what transactional data can’t do.

An example, which Macdonald has used for research, is real-time experience tracking, a technique created by agency Mesh Experience so that consumers can report their emotion at every touchpoint, including media and peer-to-peer conversations.



It finds that in-store positivity is much more influential than word of mouth or advertising, a result that is both beyond the scope of transactional data, and adds depth to it.

“Emotional responses are difficult to capture through retrospective surveys and missing from behavioural data – yet we’ve found they are a significant predictor of the impact of a touchpoint on brand consideration,” Macdonald explains.

Whether they act as shepherds, integrators or co-creators, research agencies and departments that invest in the right skills have an opportunity to enhance transactional data, rather than be crowded out by it. “We’re all engaged in a big enterprise here. Let’s embark on really sharing some of the brilliant insights and understanding that we’re getting,” says Strong.

However, he warns, “it’s going to be a long sell.” ■

USING RESEARCH AND DATA TO GROW CUSTOMER VALUE

Start by accepting that ‘big data’ isn’t the answer – not because it’s unimportant, but because it’s only half the story. Research is the yang to big data’s yin and, on its own, data is interesting, but insufficient.

Data, especially transactional customer data, is uniquely brilliant at helping us to understand what happens. That’s because, properly organised, it allows us to see people’s real-world, real-life and, increasingly, near-real-time behaviours. It also puts a hard, monetary value on these behaviours and monitors this over time.

That’s great, but there’s a ‘so what?’ here too. It pivots around what you can do with all this rich customer data. In particular, how you can use it to help do what every business is there for – to grow value by creating and keeping profitable customers.

Which is where research kicks in. It is uniquely brilliant at helping us to understand, measure and impact on what matters, from a customer perspective. At its best, research enables us to: achieve

deep clarity about why people do stuff and what matters to them in doing so; and explore, shape and prioritise what we can do to influence their behaviours.

Put research and data together and you’ve got something that’s fantastically exciting and exceptionally powerful: the ability to focus efforts and target resources on those people and behaviours that most directly go to customer value.

This would not have been possible 10 – maybe even five – years ago. Technology has been the enabler: it has brought data to the point where it can properly partner, and be integrated with, research. We have helped clients – across a range of sectors – integrate research and data to, for example, build a 3D ‘single customer view’, enrich segmentations and improve customer experience. Based on this experience, here are five things we have learned:

1. Use the knowledge, understanding and insight from research to ask questions of data;

and use the same from data to ask questions of research. This dialectic is one of the most powerful conceptual tools available to anyone looking to integrate research and data, and then use it to help create and keep more profitable customers. A different – but no less powerful tool – is the development of hypotheses, which integrated research and data can be used to test, validate and/or quantify.

2. Together, research and data can be used to build predictive systems that look forward, and don’t simply explain the past. To do this, there needs to be a direct link to commercial and operational data, at as granular a level as possible (for some of our clients, this is really ‘big data’); this is essential to ensure decision-makers have the best possible information and tools to make critical commercial-cum-operational decisions – think investment prioritisation, selection of engineering solutions, location planning and geo-deployment of resources.

3. Integrate customer research and data at the lowest possible level in the business. There are big organisational barriers – structural, operational, behavioural and cultural – to be overcome in making the integration work, which will almost certainly involve changing structures and job definitions. The pain is worth it.

4. Don’t let the technology get in the way; rather use it to make data accessible to research – and to the users of both. There needs to be common sense, a common language, and a common view of the business’s ‘customer knowledge, understanding and insight’ landscape (it’s worth drawing maps of this, literally, around key customer journeys).

5. Finally, the key to the successful use of research and data together is always to relate it back to the business, to customers and, above all, to money.

John Gambles, chairman, Quadrangle



Decisions, decisions.



We launched Research for decision makers in 2007.

That same year, Steve Jobs launched the iPhone, kicking off the second wave of digital.

Looking back, we can see why the coming together of smartphones and tablets, mobile internet, social media and fast in-home connectivity has been so game-changing.

Today, people do things and expect things and leverage things *as the norm* that simply weren't possible back in 2007.

We think that this fundamentally changes what clients need from research.

Which is why, building on eight years of Research for decision makers, we have re-shaped our offer around the five insight tools decision makers need to *succeed* in a digital world.



research for decision makers
because research has no value till it's used

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