Company Leaders Require More than Research to Get the Intelligence They Need

Jason Sherman, CEO
Whyze Group, Inc.

With 150 different research specialties, the marketing research industry is a difficult place for company leaders to shop for market intelligence. Evidence shows that decision-makers need significantly more guidance than they receive now in selecting and using market intelligence successfully. Help is available for those leaders aware of the value of identifying their intelligence needs and choosing research methodologies and vendors expertly.

Imagine NASA hires you as a purchasing manager. Your first assignment is to procure a fuel pump for a rocket engine. You find that there are 150 fuel pump suppliers. Each pump has different specifications and applications. How do you determine which is best?

If you are like most well reasoning people, you would ask your boss for a detailed set of requirements for the pump. You would know how much fuel it needs to transfer, whether it will be used for propulsion on the ground or in the extreme conditions of space, and its maximum weight limit. You would be *consumed* with matching the pump's specifications with the requirements of NASA's mission.

Managers shopping for marketing research encounter these same types of challenges. Various marketing associations have identified roughly 150 different marketing research specialties. Each meets different requirements. Managers with limited experience building market intelligence assets must choose from 150 different kinds of research. They end up with research reports that neither produce the required intelligence nor help the company fulfill its mission.

Every large company "does marketing research". Few companies generate market intelligence that gives them any advantage over competitors. The problem is *not* that senior managers lack the expertise and skills to understand market intelligence. The problem is that managers are simply unaware that the industry is too complex for most of them to comparison shop effectively.

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Veteran market researchers, Kevin Clancy and Robert Shulman, conducted a survey to measure the marketing IQ of chief executives across a variety of industries.[+] They

[+] See Clancy, Kevin and Shulman, Robert, *The Marketing Revolution: A Radical Manifesto for Dominating the Marketplace,* Harper Collins, 1991, pp. 23-27.

asked managers to respond to each statement by answering, “true”, “false” or “don’t know”. Three of the statements on the test are shown here:

> *“More often than not, the information produced by focus group research is as accurate and useful as the results of survey research at less than half the cost*,”
>
> “*To identify which competitor to compete most vigorously against, a manager should conduct a market share assessment*,”
>
> “*The best prospects for an established product or service are people who are very similar to current customers*.”

The average “marketing IQ score” of top managers was only 79.

Clancy and Shulman’s scoring system was similar to a standard IQ test (average IQ score being 100). In the above sampling, the correct response to each statement was “false”. If a manager answered, “don’t know” to every statement, he would have received a marketing IQ score of 80. According to the survey results, the average marketing IQ score of top managers was only 79.

Several years ago, I met with a well-respected global practice leader at a large consulting firm. He holds numerous academic degrees and has decades of boardroom experience. In our meeting, I described the various applications of market intelligence to sales and marketing, operations, information technology, and other areas. I explained how market intelligence is used to manage customers’ brand experiences from becoming aware of the brand, to developing positive perceptions of it and, ultimately, to trial purchase.

He protested, claiming that the only actionable intelligence that really counts is sales volume. As I continued to explain how market intelligence is used in brand management, he interrupted with "What is a *brand* anyway?"

His question was startlingly earnest. He is not alone in his skepticism of the importance of “branding”. Most corporate leaders have expertise and skills outside of market intelligence.

Prior to Whyze Group’s involvement, most of our clients were operating similarly. They told us, "We do marketing research," "We do customer satisfaction studies," or "We track our competitors." However, their businesses were not performing at their expected levels. When we looked at the research reports that the companies’ decision makers used, we got important glimpses into why these companies were under-performing. The sources of data and methods of collection were chosen more for convenience than with the intention of profitable action. Where the data was informative, critical findings were buried within the data. Reports drew no decisive conclusions. Many executives ignored these reports. In many cases, “block and tackle” intelligence was simply never collected. These companies often didn’t understand what kinds of market intelligence were available.

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The process the marketing research industry requires of managers buying marketing research…by self-diagnosing their intelligence needs without understanding the intelligence applications that are available, choosing research methods with little idea of the benefits of superior methods, and selecting research specialists based mostly on price…makes acquiring valuable market intelligence a hit-or-miss activity.

Marketing research is an activity. Marketing intelligence is an asset that compels action leading to improved business performance. Not all marketing research produces intelligence, or intelligent action.

A *market-intelligent* organization acts in these ways:

- engages decision makers in the intelligence process
- identifies critical decisions and alternatives
- discerns between what the company thinks it knows and what it really knows
- identifies intelligence gaps and objectives
- asks the right constituencies[*+] the right questions
- uses the intelligence to develop business cases for each decision alternative
- develops consensus around specific action steps
- gains commitments from managers to execute changes

The evidence of intelligence is in actions. A truly *market-intelligent* organization acts that way. It uses intelligence to constructively challenge the status quo. By doing so, it increases market share, delivers a compelling customer experience, invests in delivering what customers want, routinely outmaneuvers competitors, and performs consistently.

> *Whyze Group specializes in enabling company leaders to identify and acquire the market intelligence they need, choose profitable courses of action, and lead their organizations to achieve significant gains in brand equity and business performance. Whyze Group does not mark up or accept fees from data collection vendors. It objectively determines the best method for obtaining needed intelligence and negotiates the best rates on behalf of its clients. You can learn more about Whyze Group by visiting www.whyzegroup.com or by calling (404) 294-9521.*

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[*+] Corporate constituencies include prospects, customers, employees, and intermediaries