

Incremental versus Monumental Decision-Making

How to Keep Up with the Pace of Business in the New Reality

Douwe Rademaker | Marco Vriens

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Have you found yourself caught in this situation?

A senior Insights Director in the home care category recently described his frustrations with a global usage and habits study he worked on. This particular study kicked off twelve months earlier with in-depth qualitative focus groups in five countries. The results were analyzed to define a 90-minute quantitative questionnaire and a detailed in-home diary. After several pilots, translations and back-translations, the quantitative phase finally got in the field nearly five months after the kick-off. Two months after the start of the quantitative phase, the fieldwork was done. Three months later, with analysis complete, the Insights Director was now trying to schedule a learnings presentation with the key stakeholders. At this point, the market had fundamentally changed as a result of a disruptive competitive new product launch and, as a result, consumer behavior changed as well.

Not surprisingly, not one stakeholder was interested in attending the presentation to discuss the key insights from this study. The project turned out to be a waste of valuable time, money and resources. More importantly, in waiting for a monumental strategic decision to grow its brand, the company missed many opportunities for small incremental changes and improvements that could have had a real impact on the business results.

In this article, we will describe an alternative incremental approach to decision-making that keeps up with the pace of business in today's rapidly and fundamentally changing world.

A new reality

The world has changed – quickly and exponentially. These changes are driving the need for new ways to identify and react to consumer insights. Here are some key examples of how the new reality is impacting marketing and market research:

- 1. Consumer connectiveness.** Consumers are connected 24/7. They share experiences online, tweet about purchases, check Facebook several times a day, and share videos on YouTube. Campaigns can go viral for no apparent reason. If you want to understand how consumers behave, you have to be in-the-moment where behavior takes place – hence, the need for mobile surveys and ethnography.
- 2. Availability of data.** Connected households and cars, wearables, biometric devices, and implants (such as insulin pumps) will further explode the amount of available consumer behavioral data and will help us to paint a more precise picture of consumers – which means consumer insights will increasingly come from new data streams.
- 3. Need for speed and action.** Clients no longer have the luxury of waiting six months or more to find growth opportunities. With new, disruptive competitors, there is a need for quick actions based on deep consumer insights. Better to be quick and almost right than to be late and perfectly right.

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From monumental to incremental decision-making

The new reality is also driving a new decision-making strategy. We are seeing that successful companies are moving from what we call monumental decision-making – where a big investment is made into a large-scale, time-consuming foundational study that will hopefully lead to a major change in the positioning of the brand or an innovation in the category – to incremental decision-making. With incremental decision-making, brand managers leverage information from multiple data sources (often information they already have or is quick to obtain) to make a series of smaller decisions more rapidly. The benefit is that the brand can keep up with the pace of the market and, at the same time, get where it needs to go in the long-term. Insights are gathered quickly and acted upon quickly.

Figure 1 illustrates the main differences between monumental decision-making and incremental decision-making.

Getting to incremental decision-making: a phased approach

So, how does a brand manager change his decision-making strategy to be more incremental? We recommend a phased approach that takes advantage of social intelligence and mobile surveys to quickly connect with today's consumers.

The first phase should involve a kick-off meeting to get all stakeholders on the same page, followed by a quick, quantitative investigation of the category. After this investigation, the team should work with the stakeholders to create hypotheses and discuss next research steps.

These next research steps should be flexible and depend on the needs and hypotheses. They can include ethnographic research, social listening, pop-up communities or additional quantitative modules.

Each step is connected and builds upon the previous step – with each step getting the brand manager closer to actionable insights. The key is flexibility, regular workshops between the phases, and building incremental insights to find and explore growth opportunities.

The last phase should be focused on local activation of growth opportunities.

Figure 1

	MONUMENTAL DECISION-MAKING	INCREMENTAL DECISION-MAKING
Data	• Only one source of data, often primary research • Data in data table report	• Multiple data sources: digital, mobile, communities, ethnographic, internal, behavioral, etc. • Available in incrementally growing insights platform
Analytics	Standard analytical techniques based on one dataset	• Hypothesis-driven • Predictive modeling analytics • Targeted analytics
Timing	Depending on strategic question, average to long	Fast hypothesis, quick and early insights
Decision Process	• Decision after final analysis and based on final report and central presentation • Decision made by key stakeholder after review of analysis	• Decisions made quick and on incomplete data • No central presentation but activation workshops with key stakeholders • Immediate consumer feedback

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So what happened to the Home Care Insights Director?

The Insights Director shifted gears and decided to adopt the incremental decision-making approach.

As the first step, he started a pilot among Millennials and Gen Z to shape and design the main survey. After a short social listening project and a review of existing data with the key stakeholders, he kicked off the project with a short, 15-minute mobile questionnaire (which was enriched by mobile diaries to capture in-the-moment usage of washing and cleaning products). The respondents were asked to take pictures and videos of themselves engaging in day-to-day washing and cleaning and upload them in real-time to an interactive insights platform.

The program took no more than four weeks, after which the team workshoped around the first insights and formed an early hypothesis of potential innovation platforms.

Next, the team did a deep-dive into brand and path-to-purchase programs with short, mobile modular surveys. Again, the team came back after two weeks to review the additional insights, refine the hypothesis, and brainstorm around new concepts for their target groups.

These concepts were then quickly evaluated through pop-up communities and achieved better results than previous concepts tested. The decision was then made to launch two new concepts. The entire process was much faster than a traditional gateway process.

The Insights Director did not conduct a “final” presentation. Instead, he focused on stakeholder workshops along the process where insights were reviewed, hypotheses were formulated, and concepts were developed. The result was a faster, more successful path to brand growth.



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Incremental decision-making: making it work

As stated earlier, the new reality requires brand managers to be quick and almost right rather than late and perfectly right. Similarly, with the incremental decision-making framework, you need to work fast and accept that you will need to give up some of the data you were accustomed to having in the past. Specifically, in order for this more real-time and more fluid model to work:

- You cannot ask everything – you need to make choices, since you will be using shorter, mobile questionnaires
- You must get comfortable with making decisions on incomplete data
- You need to partner with agencies during the process to develop powerful hypotheses and look for early growth opportunities
- You need to keep your focus on business growth, not on obtaining complete insights

By adopting the incremental decision-making process, you will find that your brand will remain more relevant with consumers, stay ahead of the competition, and enjoy a longer life than it would have if you continued to try to make monumental decisions.

Perhaps our Philips client said it best: after transforming his Usage & Attitude approach to the incremental approach, he commented:

“The new Ipsos way of doing research seamlessly links to our new way of working: pro-active, dynamic, multiple sources, future-oriented, short feedback-loops, iterative, start every project with a ‘resight’ and combine data-points from various sources.”

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About Ipsos MarketQuest

Ipsos MarketQuest aims at driving business growth through a deep understanding of people, brands and markets.

Our experts help clients to uncover, size and prioritize growth opportunities in the market, identify innovation platforms, optimize their brand positioning and strengthen their brand portfolio and architecture.

Ipsos is the only global agency with a dedicated practice in this area, under-pinned by a powerful and validated philosophy centered on human motivations in disruptive markets. Our solutions are linked to business outcomes through advanced analytics, activation workshops and real-time simulations.

This paper is part of the Ipsos Views series.

For more information contact the Ipsos Knowledge Centre at IKC@ipsos.com

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