

CLOSING THE CONSUMER CONSCIOUSNESS GAP

Put people at the
heart of your decisions

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AUTHOR

Reineke Reitsma

CONTRIBUTORS

Douwe Rademaker

Daan Versteeg

IPSOS VIEWS

GAME CHANGERS



INTRODUCTION

The insights world is going through a transformation. Consumer needs, wants, expectations, and preferences are changing rapidly, markets are fragmenting, and companies need to understand their customers better and faster to stay competitive. Ipsos' Future of Insights series looks at how companies can transform their Insights business and show the value of insight. The second paper in the series, Value Of Insights: Moving To Impact shares that the level of impact the insights function has, and with that the demonstration of value, is largely depended on the company culture.

Companies have access to a wealth of behavioural and usage data, and insights teams should combine information from all available data sources to uncover new insights and advise stakeholders on relevant next steps. It is essential for CMLs to have a broader view

of everything that is available and to use it to enrich any piece of analysis so that business questions are answered in a broader and more holistic way. This is what Ipsos calls Consumer Consciousness.

However, most CML teams aren't doing this. A survey among Dutch market insights professionals shows that they struggle to combine multiple data and information sources, and as a result they tend to stick to the basics. Interestingly, agency researchers think their clients are further along in this process than they are, which results in misaligned expectations and sub-optimal collaboration. Only when market insights professionals on both the client and agency side start to think differently about their roles, how they support the people they collaborate with, and where they can add value, will they become the strategic partner they want to be.

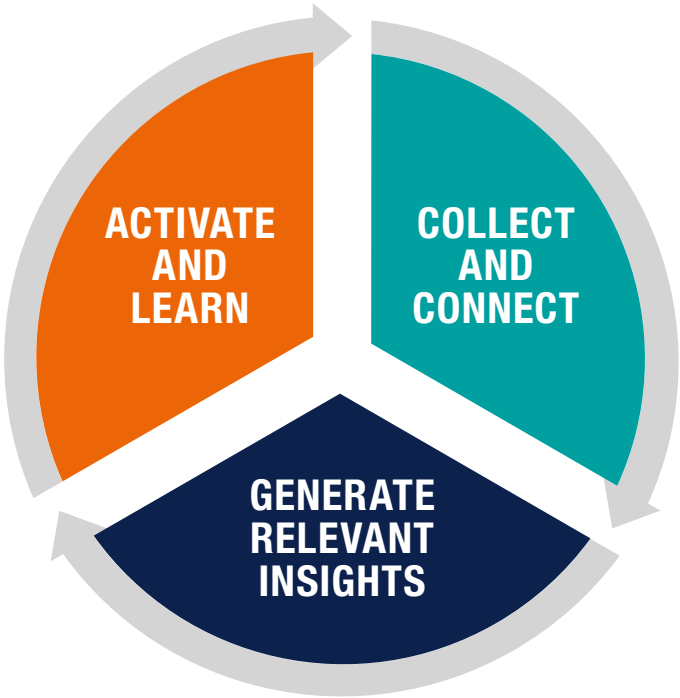
CONSUMER CONSCIOUSNESS HAS A LONG WAY TO GO

Consumer Consciousness is an integrated, learning system that puts the consumer at the heart of the business. Companies with a high level of consumer consciousness are more aware and attuned to consumer needs and can respond to changing consumer needs or market disruptions faster.

A consumer conscious company works around three critical components:

1. The availability and connectivity of consumer data: Collect and Connect
2. The ability of a connected consumer data platform to create fresh and relevant consumer insights with appropriate analytical capabilities: Generate relevant insights
3. The level of activation of these consumer insights and a solid feedback loop: Activate and Learn

Figure 1: Consumer consciousness creates a continuous learning cycle



CONNECTED INSIGHTS REQUIRE DATA MATURITY ACROSS ALL THREE STEPS

<div>COLLECT AND CONNECT</div>	<div>GENERATE RELEVANT INSIGHTS</div>	<div>ACTIVATE AND LEARN</div>
<ul style="list-style-type: none"> • Access to consumer data from various sources • Our consumer data is well integrated in one consumer database 	<ul style="list-style-type: none"> • Data science is used to create fresh insights • Manual curation is used to create fresh insights 	<ul style="list-style-type: none"> • Insights are easily and automatically available across the organisation • Insights are activated through agile marketing activities • Learning from marketing activities are fed back into the consumer database

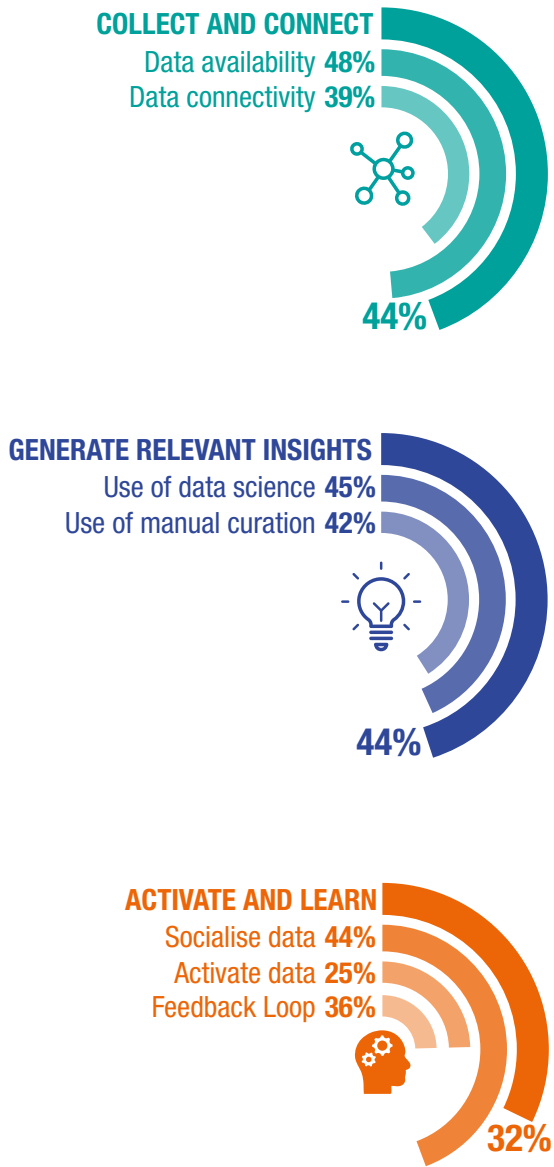
Source: Ipsos

To understand the level of data consciousness and customer-centric maturity, Ipsos partnered with the Dutch Market Research organisation MOA in the summer of 2021 to survey marketing and customer intelligence professionals on the role of data in their journey toward consumer centricity.¹ The goal was to understand the status quo at the buyer side and compare that with agency-level researchers' view on the data maturity at their clients.

Ipsos interviewed 150 professionals marketing and customer intelligence professionals about customer centricity and Consumer Consciousness. About half of the respondents worked on the user side (called 'clients' in this report) and the other were from agencies or agency related companies (called 'agencies').

Overall, among the clients, data-driven consumer centricity, or Consumer Consciousness, is at 35%. This means that clients are scoring average or below average on all three components of the model. Agencies have a slightly more positive view on their clients' Consumer Consciousness and score them higher on all three levels.

Figure 2: Clients struggle most with the activate and learn phase



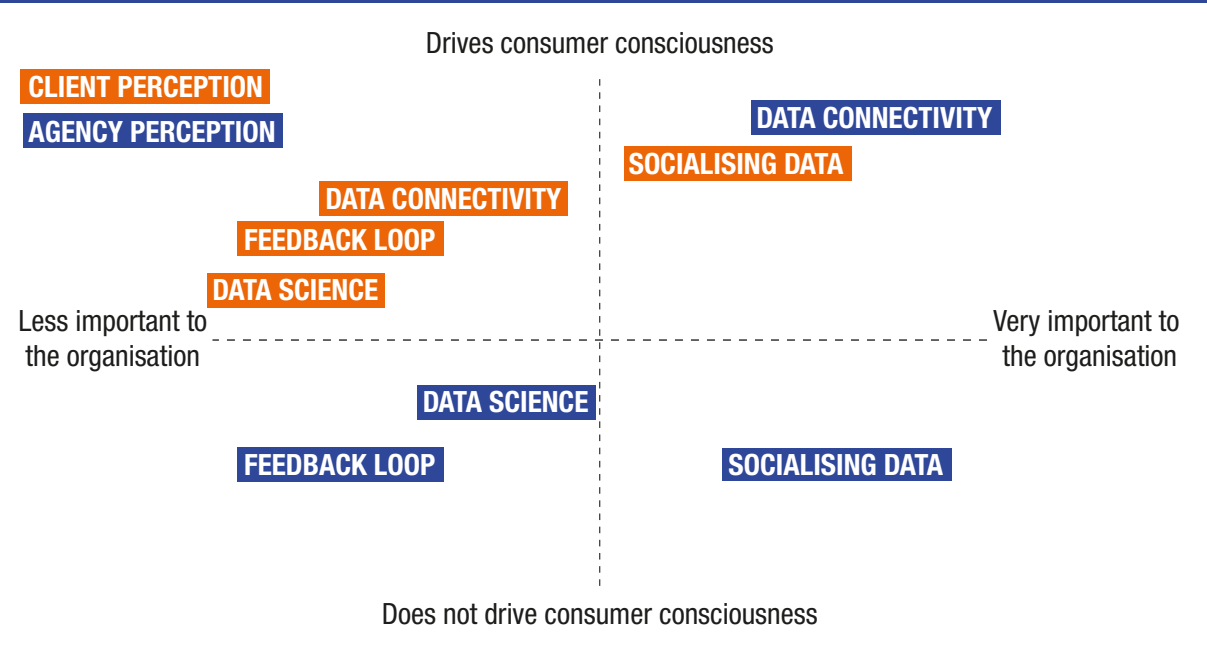
Source: Ipsos Consumer Consciousness Survey, 2021

DATA SILOS ARE STILL THE NORM

Collecting and connecting consumer data are the foundation of creating a consumer conscious culture and delivering actionable insights that generate business impact and add value. Companies that are more consumer conscious are investing in data integration and data connectivity. PepsiCo, for example, introduced 'Ada' to the insights organisation. Ada is a centralised digital platform that collects, sorts, and analyses millions of consumer insights across the organisation, helping their insights professionals be more predictive and forward-looking, see immediate benefits of their investments.²

Dutch companies do reasonably well on the collection of data, and within that on data availability, with 71% of client-side researchers stating that they have access to consumer data from a variety of sources (CRM, marketing research, sales data, ecommerce browsing data, social data, behavioural data, etc.). However, the integration into one consumer platform is lacking behind significantly – only one in three of them feel their consumer data is well integrated in one consumer database. And without this fundamental first step, consumer insights' understanding, and as a result their strategic recommendations and value to the business, will be fragmented and sub-optimal. Without

Figure 3: There is a client/agency consumer conscious knowledge gap



Source: Ipsos Consumer Consciousness Survey, 2021

an integrated data platform there is not one source of truth in the organisation, and consumer insights compete with other departments for awareness, influence, and budget.

Interestingly, when looking at how agencies and clients rate the components on importance and relevance, agency-side researchers believe their clients' insights solutions are more

technology advanced than they are. They also feel that data connectivity is the most important driver for consumer centricity at clients and, as a result, they're focusing on building solutions and offerings that depend heavily on multi-source data. While in fact, companies are more concerned about socialising data, through generating fresh insights, and having stakeholders act on these insights.

CREATING RELEVANT INSIGHTS NEEDS A HUMAN TOUCH

One of the biggest complaints of executives with regards to market insight is that it's too slow, especially in today's world that's all about agile, continuous improvement, and rapid learning cycles. As a result, they rely on incomplete data when making decisions, or leave the consumer angle out completely. This may work for a while, especially when using behavioural data to guide decision-making, but it's easy to miss a big threat to your market, or the next big opportunity.

The value of insights professionals is their understanding of consumer behaviours and adding a human insights layer to behavioural data. However, if it takes too long before stakeholders get access to relevant, predictive insights, companies lose precious time to act. To counter this, a CMI at a Dutch Telecom provider collaborated with his data intelligence counterpart to build an integrated data model, linking insights and behavioural data, to create a continuous feedback loop to better understand the drivers for churn. They enriched their customer data with a segmentation based on attitudes and motivations and use this connected

segmentation to create a predictive model for early intervention. The results of this model are used for personalized marketing activation, and the results of these campaigns are then used to improve the model. This collaboration between the data intelligence and consumer insights departments shows how a consumer conscious approach adds value to the business.

But this is the exception to the rule. Only one in five of client-side insight professionals say they use data science to systematically create fresh consumer insights, which means that in most cases the process isn't standardized or automated. And manual curation is also mostly done on a case-by-case, survey by survey basis, with only 44% stating they use manual curation systematically for creating fresh consumer insights.

Although agency-side researchers overestimate the data science uptake on the client-side significantly, both client-side and agency researchers don't feel that data science itself is a huge driver for Consumer Consciousness.

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LACK OF ACTIVATION LEADS TO LIMITED VALUE OF INSIGHTS

Of the three critical elements of Consumer Consciousness, the third around activation, learning and closing the loop is the least developed according to both client and agency market insight professionals. Just under a third of client researchers agree they make consumer insights easily and automatically available to relevant managers in their organisation, one-in-four says their company activates consumer insights through fast and agile marketing activities, and only 17% states that they feed learnings from their marketing activities back into their consumer database.

As a result, companies lack a common understanding of the customer. And because consumer data and recommendations are not broadly communicated, or shared in a structural way, it's unclear what happens with the insights that are being shared and therefore it's hard to calculate the return on research investment (RORI). Insights organisations that struggle to show their value are rarely seen as strategic partners. That's why the Activate and Learn part is so important. As Stephan Gans from PepsiCo says about the impact of Ada for his organisation: "An in-house insights job, for

decades, was often that of a glorified order-taker. But today, now that our managers are hands-on with the data and can demonstrate command over it, they are becoming true partners with their internal clients across PepsiCo."² Agencies who don't realize that this is the biggest challenge on the client-side and continue delivering stand-alone PowerPoint reports or, even worse, data dumps will miss the opportunity to become a research partner instead of a data supplier.

This means that agencies must think differently about where and how they can add value. The solution isn't always doing another survey. For example, Ipsos partnered with an FMCG client to collect, distill, and summarize the results of previous research projects, combined with industry trends, to create a 'book of knowledge' that helps build a deep and complete understanding of their customers across their organisation and their partners. This book is used for on-boarding new employees and gets distributed among their partners to create a shared view of the customer that saves time, creates better alignment, and results in better products, services, and outreach.

FOCUS ON WHAT MATTERS MOST

As everyone who has ever done a CPR training knows, you need to treat first what kills first – or, in this case: focus on what matters most to build a future of market insights that's more than order-takers and data farmers. That means that although the market insights industry needs to get its foundation in order and work on data integration and data aggregation, it must start with understanding the needs and wants of the people they work with to really drive consumer consciousness. Socialising data, activating learnings, and creating a feedback loop is the key to have the company use and act on insights. And only research that's being used adds value.

The other culture change for many CMLs is that they need to move from reactive to proactive: don't share what has happened but what will happen, don't show what has been but what will be. Every marketer, ever product manager, every executive worries about the unknown: What am I missing? Market insights professionals are, in theory, well positioned to alleviate these concerns and look around the corner. But that does require courage. They need to approach the concept of consumer insights far more broadly, and adopt a different attitude to data collection, insights generations, delivery of outcomes, and activation of results.



PUT PEOPLE AT THE HEART OF ALL YOUR DECISIONS

The road to Consumer Consciousness starts with understanding the needs and challenges of all the people you interact with: your clients, your colleagues, your partners, and your consumers. And only when you really know what is important to them you will be able to create insights that add (and measure) value – and as a result been seen as an integrated member of the team.

Only organisations that have a data-driven culture, that value insights, and that are willing to make business decisions based on data, will thrive in tomorrow's world. But they need to know how to use that data in a smart way. Not more data but better integrated insights is the key to success. Market Insights professionals are well positioned to play a role in driving Consumer Consciousness - but they can't do this alone. They need to collaborate with other data departments to develop an integrated view of the consumer.

And this is true for agencies as well: make sure to be one of the partners that companies can rely on for relevant data insights that answer business questions. Don't think in methodologies

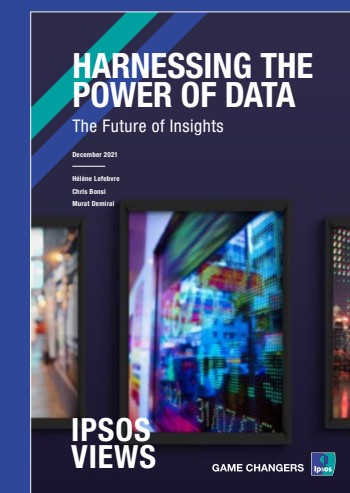
or product offerings, think in solutions instead. How will the results of this research add value? This is only possible when agencies and clients closely collaborate and explore where they can benefit from each other's expertise. It starts with an open and honest conversation, where clients share which data they have, how it's connected, and what they are trying to achieve. Agencies on the other hand should start thinking less about delivering data and more about the impact of the results, recommend ways to act on the data and create output that is easy to share and socialize with stakeholders.

Siloed organisations miss crucial information. Consumer conscious organisation must strive for transparency of information, by making consumer data available across teams and departments. When data is a commodity CMOs can focus on what they do best: adding the human layer. By doing so, they become a strategic partner in marketing and product decisions, being valued for making the call, and make a difference to the people they work with. And that's the key to the ROI of Insights.

REFERENCES

1. [For this research we collaborated with the MOA, the Dutch association for marketing insights, research and analytics, to survey their members.](#)
2. [Stephan Gans, SVP, Chief Insights and Analytics Officer at PepsiCo Introducing my new hire, Ada | LinkedIn](#) and [Ada, the newest member of the PepsiCo insights team, receives first performance appraisal | LinkedIn](#)

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AUTHOR

Reineke Reitsma Head of Data & Technology, Ipsos in the Netherlands

CONTRIBUTORS

Douwe Rademaker Global Leader, Market Strategy and Understanding, Ipsos

Daan Versteeg Country Manager, Ipsos in the Netherlands

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