

White Paper: Insights & Analytics

Fill the Void in Consumer Insights

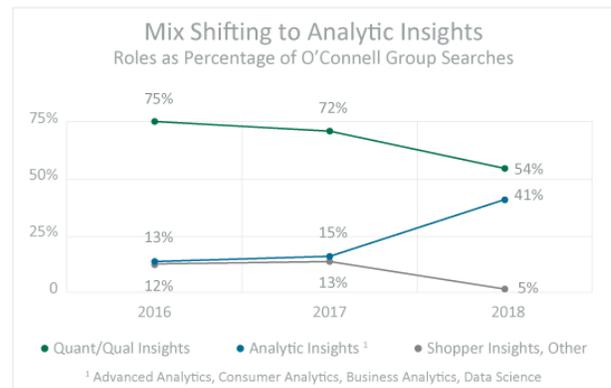
The C-Suite demands real time, predictive insights that give them the confidence to make smart investment decisions ahead of the market and competition. Leaders are awash in data and information from a rapid and relatively inexpensive proliferation of sources. But they are often surrounded by people and systems ill-equipped to effectively extract, interpret, connect and deliver clear and actionable insights from the data to leadership.

The gap between what business leaders need from insights teams and what they are receiving has created a vacuum. And as Aristotle postulated, “nature abhors a vacuum.” Insights organizations can either lead the way and fill the void or watch as others fill it out of necessity.

Do you find this to be terrifying or exciting?

The “creative destruction” that occurs in a rapidly evolving profession can be terrifying (or at least uncomfortable) for insights leaders because it demands change and growth.

We see both 1) significant reductions in the size of traditional consumer (quant/qual) insights teams, and 2) growth of analytic/data science teams across consumer products, retail and e-commerce. The mix of searches O’Connell Group has been engaged to fill over the past few years reflects this dynamic.



This change is also echoed in the evolving titles and roles appearing within insights organizations. What used to be called “Marketing Research,” became “Consumer Insights,” and then “Insights and Analytics” or “Insights, Analytics and Strategy.” Most consumer insights roles are now “Manager/Director Insights and Analytics,” for example. Recently, analytics jumped into the lead at a well-known and prestigious consumer packaged goods (CPG) company, which announced its former Insights and Analytics organization will be headed by the “Vice President, Advanced Analytics & Data Science.” This department will include all consumer insights capabilities.

We see this vacuum creating a natural space for insights professionals to lead. It is an exciting opportunity to build an insights ecosystem and transform the plethora of data into foresight that leaders can use to take advantage of opportunities or mitigate risk.

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How Did We Get Here?

A far back as 10 years ago, Boston Consulting Group (BCG)¹ investigated the barriers to traditional marketing research migrating up the organizational value chain. Their 2009 report identified the continuum of consumer insights capabilities and performance. The continuum runs from the consumer insights function serving as an *order taker* (Stage One) to consumer insights performing as a *strategic foresight* organization and a source of competitive advantage (Stage Four). BCG found that almost 90 percent of the companies surveyed followed a more traditional approach to market research and were still at Stage One or Two.

At that time, only 34% of line managers agreed that the insights team consistently answered the question “so what?” and just 32% agreed that the insights function translated research findings into clear business recommendations for senior executives. Conversely, insight teams expressed a concern about a lack of line managers’ engagement in the research process. Fewer than half (41 percent) thought that business leaders in their organization would pass a “pop quiz” on important facts about consumers.

Marketing researchers were trapped in the silo of their staff function and lacked an engagement model linking their work strategically to brand and business line decisionmakers.

Progression of High-Performance Insights Teams

	① Traditional market research function	② Business contribution Team	③ Strategic insight organization	④ Strategic foresight organization
Hiring	Hire for technical skills	Hire for technical skills and business skills	Hire a mix of people, some without deep technical skills (conceptual, analytic, and strategic capabilities are crucial)	Hire for conceptual, analytical, business communication, and leadership skills
Training	Market research methodology and tools	Mix of methodology and tools coupled with business skills and experience	Integrated thinking, pattern recognition, and communication	Integrated thinking with focus on leadership and communication
Career Path	Limited progression with market research	Progression within market research	Progression into other functions or senior roles within market research - and beyond	Progression into general management

Source: “The Consumer’s Voice-Can Your Company Hear It?” Center for Consumer Insight Benchmarking 2009. Boston Consulting Group. November 10, 2009.

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Fast forward 10 years, and traditional market research/consumer insights organizations are still under tremendous pressure to demonstrate value. Many are still struggling to connect with leaders at a strategic level. Some companies have embraced “big data” as the most promising lever of change. The volume of data – and the speed with which it must be captured and studied – have sharply shifted investments toward data science and increased the demand for data scientists and statistical analysts. IBM predicts that demand for data scientists and advanced analysts will spike by 28% by 2020, creating a shortage that potentially disrupts ongoing product development, acquisition and go-to-market strategies.²

Some insights leaders have made the necessary adjustments to “modernize the shop floor” to harness the dynamic power of data-driven business intelligence. They have diversified their talent sets with staff conversant in data science, social/digital media and evolving insights communities. But change comes with a cost. We have seen significant headcount reductions in traditional marketing research roles as companies reallocate resources to data science and analytics.

What is next for Market Research and Consumer Insights?

Do we foresee the end of traditional insights? No, but insights leaders must re-envision the function to encompass a broader, not narrower, set of research and insights disciplines. More to the point, the mere addition of data science and analytics professionals is not the silver bullet some envision. Success also depends on a strong connection between the insights function with line management.

Forward-thinking organizations are redefining skill sets and redesigning roles to build teams of leaders who are capable of aggregating, collaborating and delivering insights across the business enterprise, even beyond marketing. Their teams are becoming more strategically relevant by placing data in context and telling the stories that explain the “why” of the current state and inform the “what’s next” forecast of customer behavior.

They also recognize the fundamental need for ongoing education and training. A 2018 study³ found

Insights Professionals: How should you think about building or modifying your career?

It’s time to update your skill set. You don’t have to become a data scientist or digital analytics expert (unless you want to). But you DO need to:

- Understand what data science can and cannot provide
- Value the skills of analytics experts and know when they are needed
- Explore opportunities to assess your aptitude and develop your skills with hands-on data projects
- Know how to source a data science professional and leverage their skills and experience

Most importantly, your role now and in the foreseeable future is to add value by:

- Extracting insights from all sources
- Telling the story to business leaders so they can make better investment decisions and mitigate risk

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that 70 percent of researchers receive less than one week of training per year. Consequently, professionals with the greatest potential and drive will transfer or leave to find the environment where they have the best opportunity to develop their careers. They are digging deeper to understand the business, learn new skills, and combine research and data science in new ways to add value.

The market is providing ample opportunity for them to find greener pastures. Quirk's survey reported that only 16% of respondents are "very satisfied" with their jobs. They will find ample opportunities with the 40% of companies that are "somewhat to very likely" to hire additional market research employees.⁴

Those with potential will meet their learning needs by transferring or leaving for an organization with a more progressive approach to skills and career development. The rising insights stars won't wait for you to transform their role from order-taker to strategic advisor.

Crossing the Digital Divide – Every Which Way

A fascinating, somewhat counter-intuitive, reality is taking hold in the market for insights, analytics and data science talent. Companies that sell intangible experiences, ideas and information could be thought of as the antitheses of CPG. Conventional wisdom might assume that companies that build their products from data would have a strong handle on consumer insights.

But that not is entirely true. Most are struggling to evolve their customer engagement strategy and grow their revenue. Forward-thinkers are taking a page - and the people - from CPG companies that have been, by necessity, more dedicated and strategic in its use of insights than most other industries.

We have seen this shift in the demand to bring consumer insights talent into data rich segments that have direct consumer relationships, like retail, quick service restaurants, hospitality, and financial services. They leverage mountains of point-of-sale and buyer behavior data, with CPG insights and analytics talent. Next-generation companies in entertainment, smart technologies, healthcare and even "products" barely envisioned ten years ago, such as DNA-driven genealogy are struggling to mature past the early adapter customer phase and entering new realms in their competitive landscapes.

However, many are still stuck in the "grad school to Google" mindset, and do not place enough importance on hiring insights professionals who bring business acumen and real-life operating experience in building a sustainable, insights-driven business model. Strategically advanced leaders are seeking to transfer the consumer analytics and insights skills that CPG has used for decades to successfully build their brands and reimagine their products to meet (or create) constantly evolving consumer demand.

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They don't buy into the stereotype that CPG professionals are too slow and "corporate" or not up-to-speed on digital technology. Instead, they realize that CPG insights professionals, who have proven their skills in the right organizations and can clearly articulate the value of insights, will fill the void with a wealth of knowledge and experience in how to identify consumers that will take a brand to the next level.

Build a Transformative Insights Team

Transformative leaders create the optimal environment, then hire and develop insights professionals with the desire to continuously evolve their skills and value. They are not satisfied by simply filling the void.

We see them making tough decisions to create the optimal environment, then reshaping their teams with insights professionals who continuously evolve their skills and value. Here are six proactive steps to take now:

- 1. Position insights as the center of corporate learning.** If the insights function is expected to move beyond tactical support to the role of strategic counselor, the insights head must hold an executive level position.
- 2. Act as the strategic custodian of portals that harness multiple data streams and methodologies.**⁵ Become indispensable to other business applications where insights will add value such as logistics, supply chain, ecommerce, customer experience, geolocation, etc.
- 3. Hire for aptitude and attitude.** Many skills can be learned, but conceptual thinking, strong communication, leadership potential and passion for the business are critical.
- 4. Build cohesive, cross-disciplinary teams where informal learning happens daily.** Plan and budget formal training for developing new skills. Open doors for progression toward insights management and general management.
- 5. Challenge your team to develop a firm grasp on your company's business model.** Create a culture that encourages critical thinking and challenges bias. Attract team members who will strengthen the overall value of insights that you deliver.
- 6. Value speed.** Identify professionals who anticipate questions and will be prepared with calculated insights. Ensure that they can clearly articulate the trade-offs and develop a business case for more in-depth study where necessary.

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Hiring a Balanced Insights Team of Strategic Advisors

Change can generate fear, but there has never been a more exciting time to be an insights professional. Investors and hiring managers are not simply looking to find resumes that “check the boxes” in market research experience. Their rapid growth plans require them to find the hidden gems and make strategic hires with the skills, expertise and track record to stay ahead in the evolution of marketing research, consumer insights, data science and analytics.

It’s a time to embrace the most promising drivers of change and access resources who can provide best-practice benchmarking, competitive intelligence and professional networks within the insights, analytics and data science space, all of which you need to support your team-building strategy.

O’Connell Group knows the universe of experienced and highly successful insights professionals ready to infuse proven skills developed through classical training to expand the influence of consumer insights throughout the organization, including the C-suite.



Build a balanced, holistic team with analytical and conceptual skills to channel and articulate a broad set of data inputs into a strategic context.

Additional Resources

Visit our website for additional insights and case studies about how we have helped build transformative teams that are taking consumer insights and analytics to the next level. Please [contact us](#) to start a conversation and allow us to learn about your objectives. We will share market insights and examples of winning recruitment strategies based on our deep experience in identifying and acquiring the right talent.

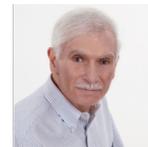
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¹ “The Consumer’s Voice—Can Your Company Hear It?” Center for Consumer Insight Benchmarking 2009. Boston Consulting Group. November 10, 2009.

² “IBM Predicts Demand for Data Scientists Will Soar 28% By 2020.” Forbes. May 13, 2017.

³ “Market Research Skills and Training Study 2018.” NewMR. August 2018.

⁴ The Q Report Corporate Researcher Report 2018. Quirk’s September 2018.

⁵ The Futures of Marketing Research ROBERT MORAN, StrategyOne, USA EPILOGUE 423 May 16, 2011