

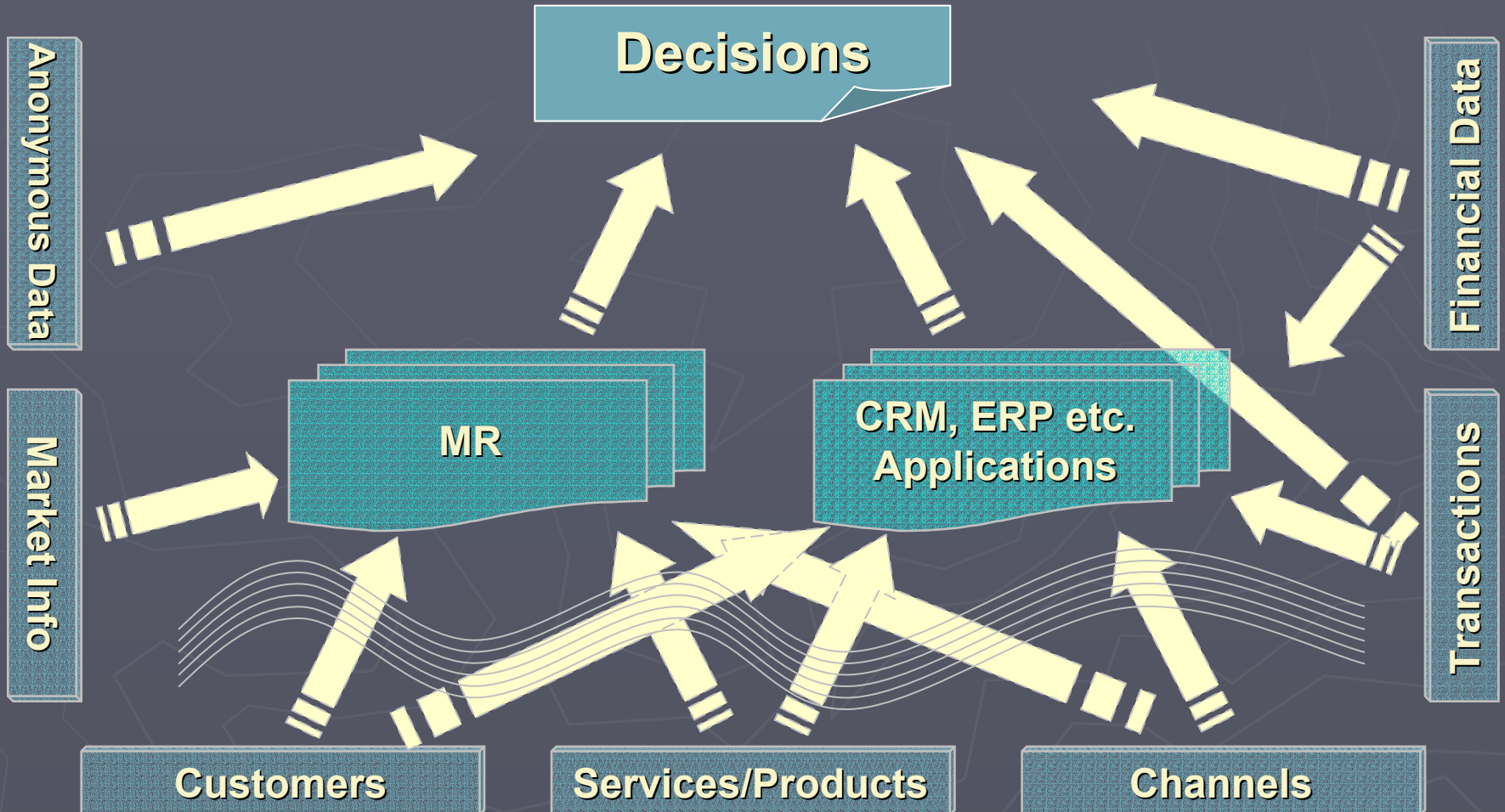
Integrating Decision Making and Marketing Intelligence

The Roadmap to the Boardroom

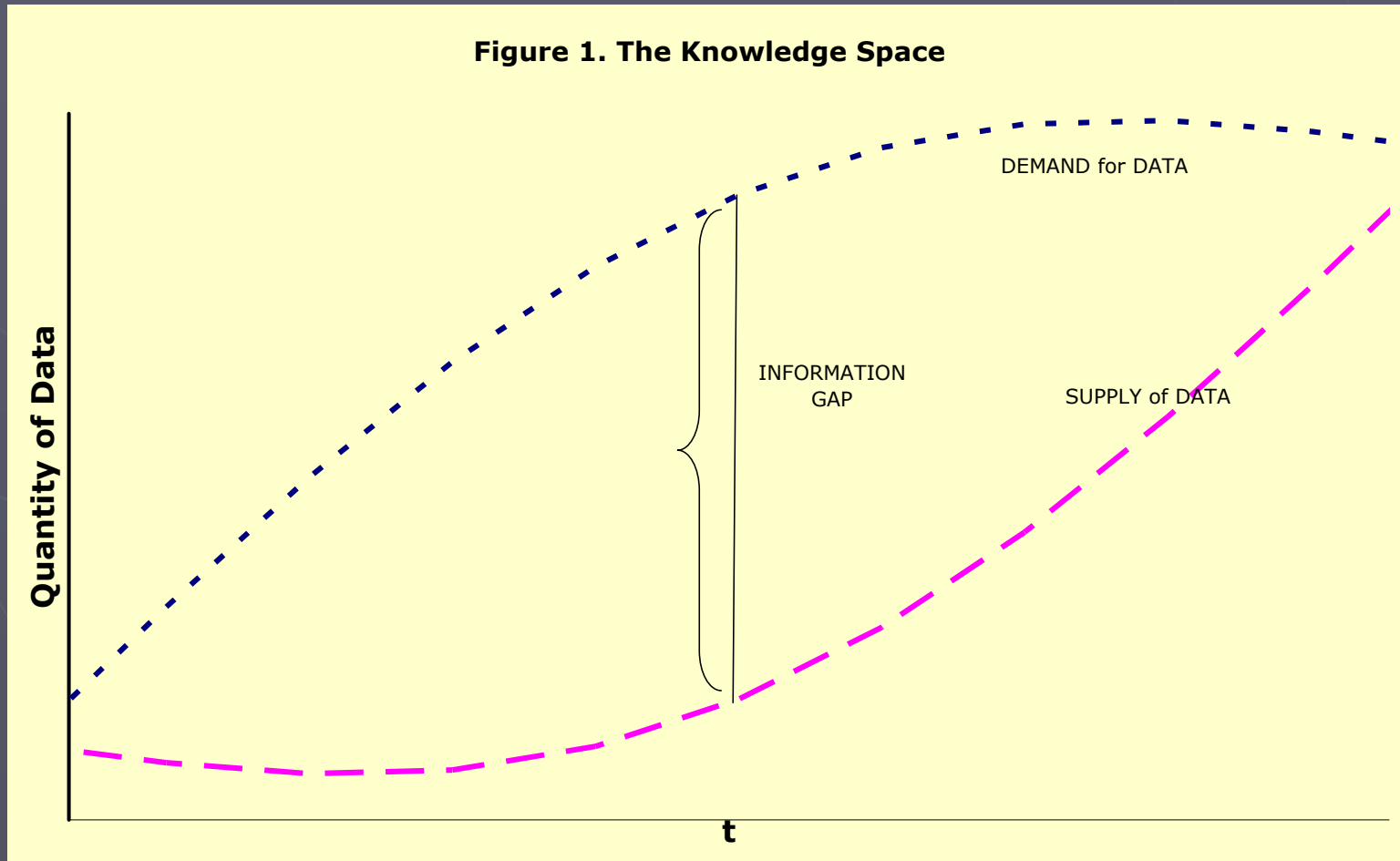
Challenges to Conventional Marketing Research

- ▶ Marketing research fails to satisfy its potential users:
 - As a result of its limited definition and exclusion from the decision making process,
 - Changing structure of markets,
 - Rapid technological change,
 - Increased expectations of customers,
 - Limited human resources.

Today's Decision Maker

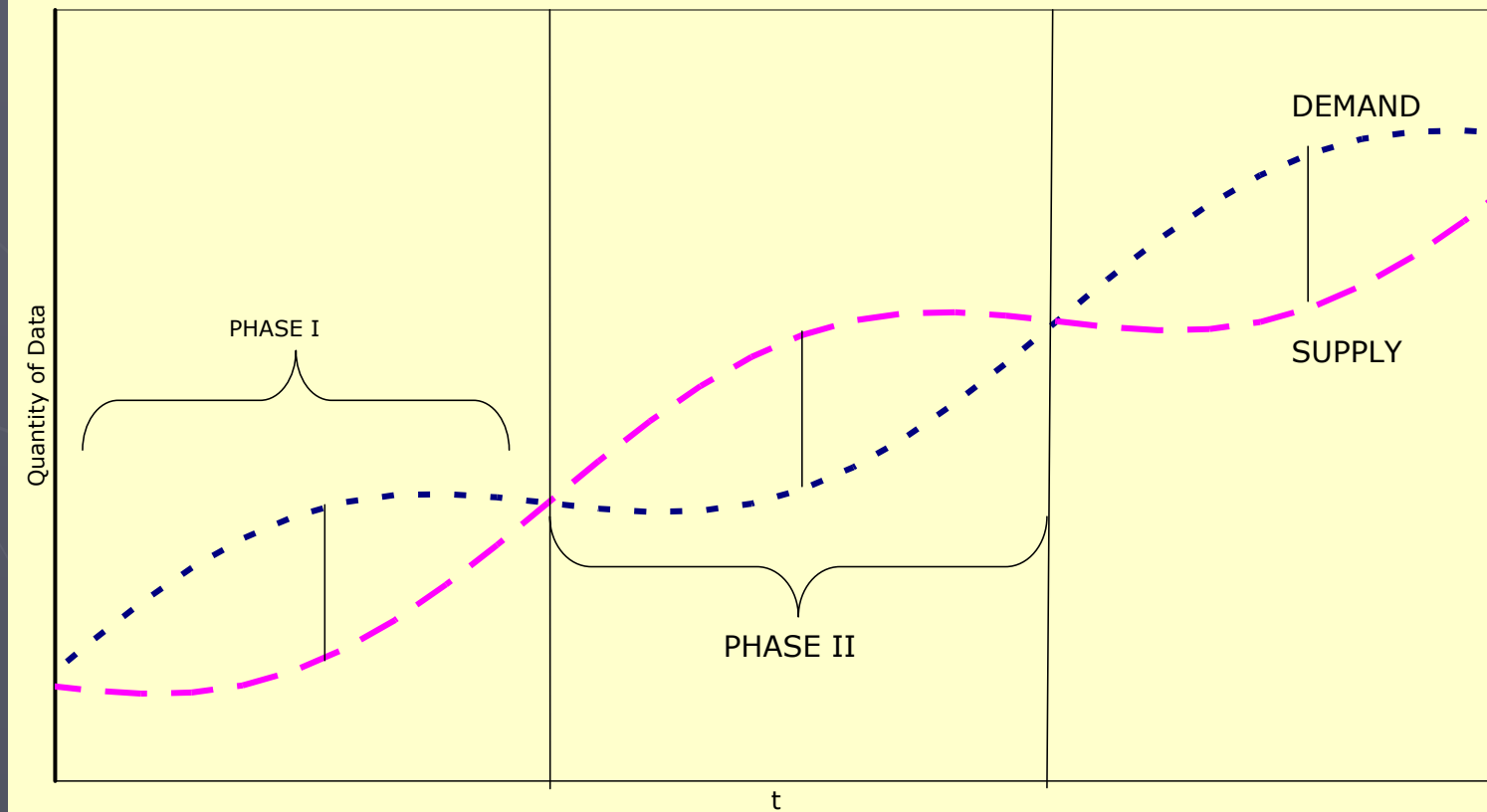


The Knowledge Spiral



Knowledge Spiral - Long Term

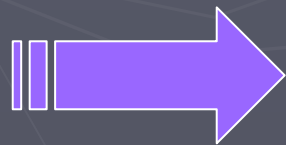
Figure 2. The Knowledge Spiral



Crisis of Today

► Information overflow:

- *"By 2004, businesses will be managing 30 times more data than in 1999."*
- *"An average company utilizes just 7 percent of the information stored in data warehouses."*



Development of Knowledge Management:

- "systematic management of knowledge"

Next Phase of the Spiral

- ▶ Knowledge management: new ways of transforming information to knowledge;
- ▶ A paradigm shift in management science;
- ▶ Efficient information production methods as a result of technological opportunities;



Exponential growth
of demand for data

Customer Centric Organization

- ▶ New Paradigm: Being Customer Centric.
- ▶ Crisis of Fordism: Scarcity of customers.
- ▶ Development of CRM:
 - Both a vision of management and a kind of technological investment,
 - Huge investments in technological infrastructure,
 - However it does not create a significant added value for investor companies.

New Role for the Industry

- ▶ CRM does not satisfy information needs of customer centric companies:
 - It is limited with transactions of customers; doesn't bring any information about potential customers and competition;
 - By using transactions, it is not easy to estimate future behaviors of customers;
 - Data flow is dependent to frequency of transactions.
- ▶ Marketing research's role is more than bridging the gap.

Marketing Research Handicaps

- ▶ Marketing research data is not easily integrated with other information sources;
- ▶ Today's decision makers have to be quick in transforming information to decisions;
- ▶ Use of information collected by the industry is limited with marketing decisions.



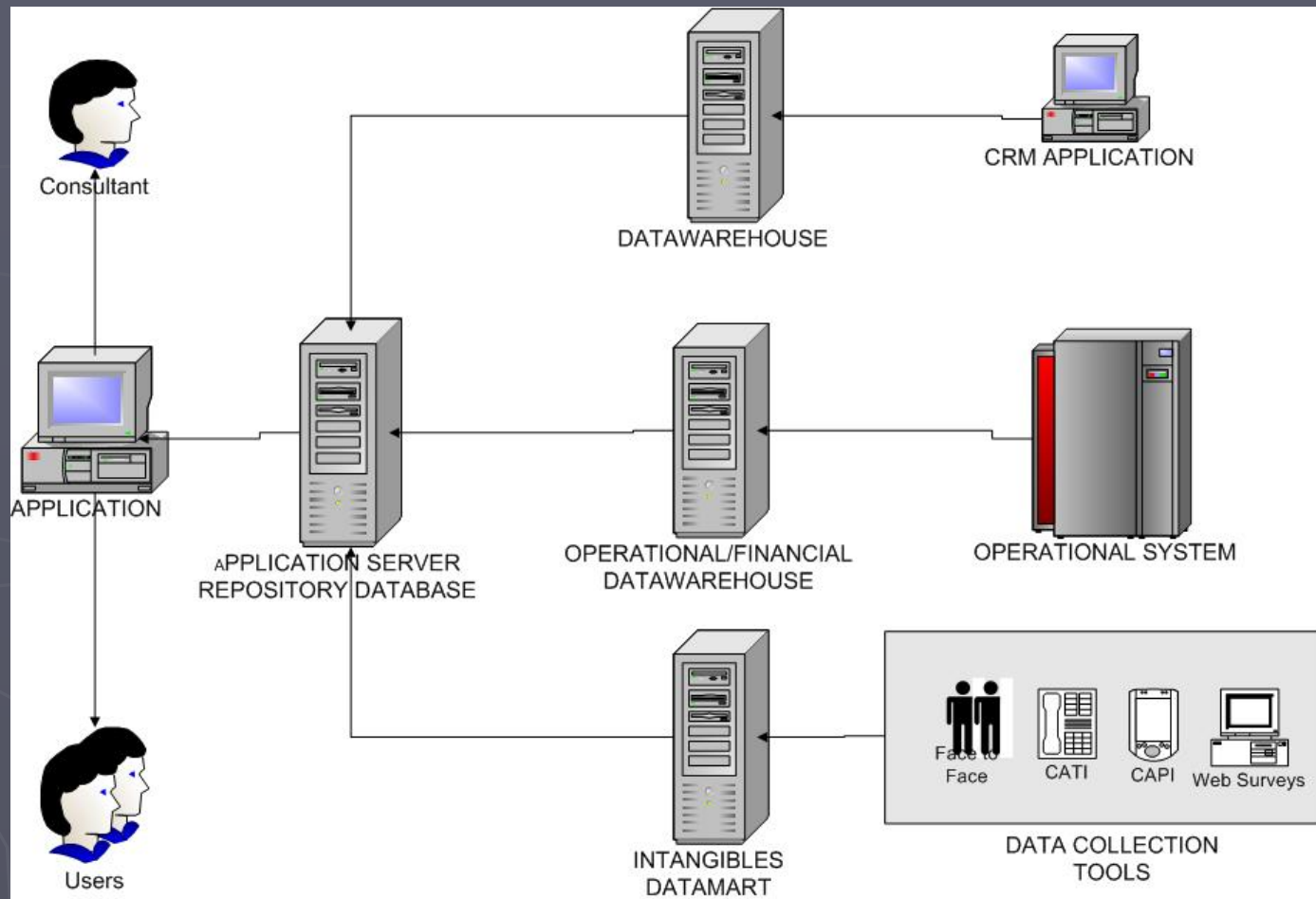
Reversing Research Processes

Old and New Processes of MR

1. Agree on research process,
2. Establish research objectives,
3. Design the research,
4. Collect the data,
5. Prepare and analyze the data,
6. Report the research.

1. Define business objectives,
2. Define information requirements,
3. Supervise data collection,
4. Transform information to knowledge.

Provisioned Data Flow



Integrating Marketing Intelligence with Decision Making

- ▶ Metric concept:
 - “indicators” or “measurables”;
 - Used to universally compare and present a specific situation.
- ▶ Our industry has not a knowledge accumulation of metrics, and our scope has always been country, sector or firm specific.

An Example

Question:

- ▶ "How satisfied are you with your X Bank credit card?"

Question:

- ▶ "How satisfied are you with your X brand car?"

Brand specific

Sector specific

Case Study

- ▶ Customer: The largest commercial bank of the country. It operates in the securities market with a customer base of 750.000.
- ▶ Its target: *"keeping its leader position in the market, by improving its profitability"*.
- ▶ 17 workshops with participation of 50 people from various managerial levels.
- ▶ 4 with leaders, 7 with SBUs, 4 with operational units and 2 with IT.
- ▶ It took 3 months.

Outputs

- ▶ The moderator pushed participants to state:
 - business objectives ⇒ what information needed
⇒ how they want to see it.
- ▶ A software package developed by us, is used to compile the information requirements document.
- ▶ An information requirements document is formed.
- ▶ A series of screens have been designed to present how participants want to see analyses.

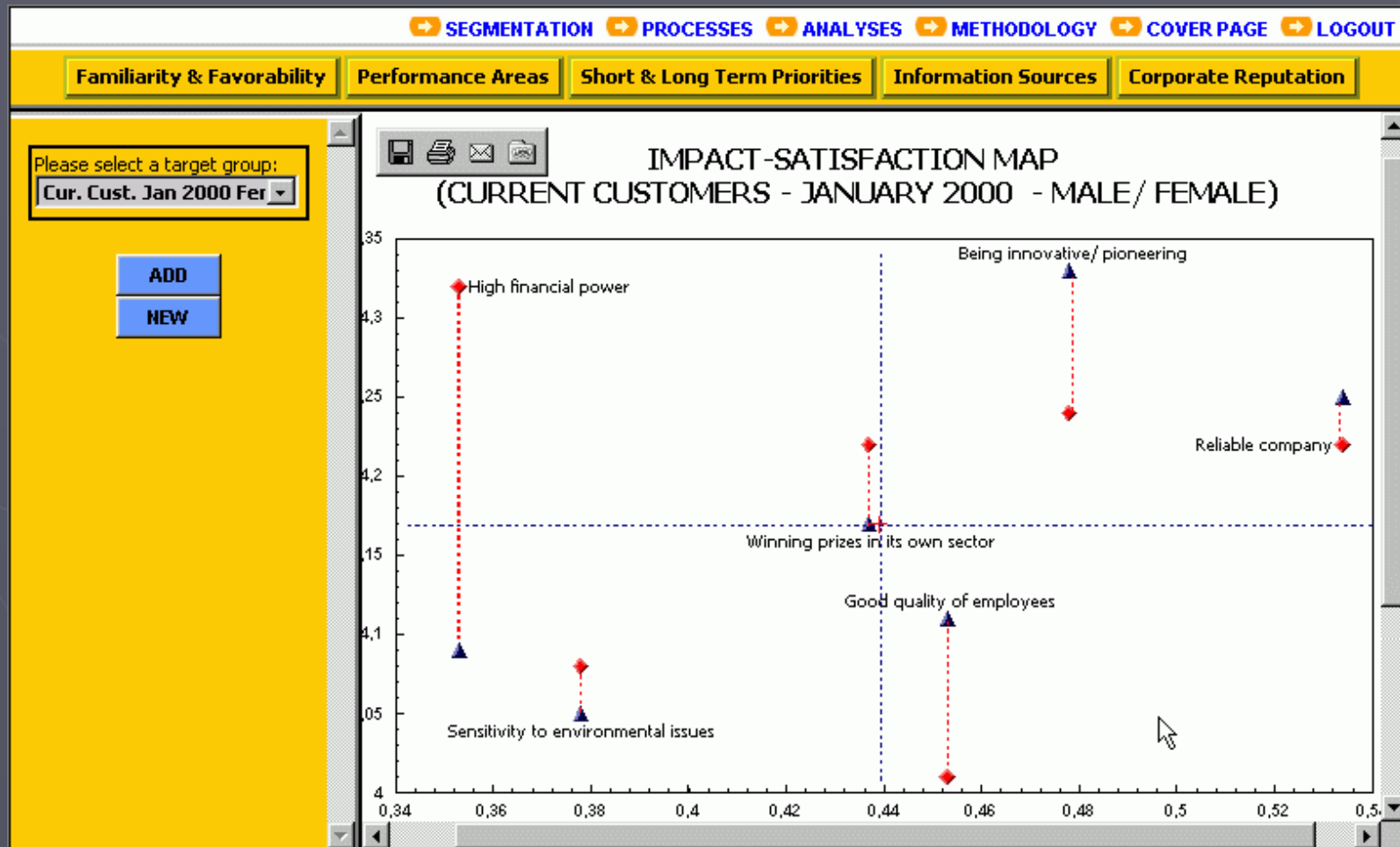
Information Requirements Document

Business Objective:	Increasing effectiveness of alternative distribution channels for mutual funds operations			
	Metrics	Source		Period
	Usage of ADCs in mutual funds operations	Internal	Operational	Monthly
	Satisfaction from ADCs in mutual funds operations	External	Marketing Research Firm	Biannually
	Cost of ADCs in mutual funds operations	Internal	Financial/ERP	Variable

Outputs

- ▶ Information requirements document includes 43 metrics and 120 analyses.
- ▶ 70% are requested by SBUs, 51% by leaders and only 15% by the operational units.
- ▶ 60% of metrics are from internal sources, 40% from external sources.
- ▶ Only 40% of metrics are expected to be collected on a customer basis.
- ▶ All of the information requests from the operational units are customer based.

Screenshot



Lessons to take:

1. The board of the company has to be customer centric.
2. Even that the board is customer centric, lack of knowledge management vision in the company makes the process difficult to imply.
3. Integration with the existing IT systems and support of the IT team is crucial during the process.
4. Integration of internal data is very important.
5. The project has to be initiated with a decision of top level management of the company and has to be a part and initiator of a reform project.

Conclusion

- ▶ If the marketing research industry is willing to produce information which will be discussed in the boardroom; it has to be ready to forget what it accumulated until today and revise its classical motto:

*"Marketing **intelligence** is something more than marriage of science of sampling and art of asking questions".*