To win a place at the corporate table, researchers need to take some risks.

Passion vs. Dispassion

By John W. Huppertz

The corporate table. That's the one located in the conference room of the executive suite where discussions about the future of the business take place. Those of us in marketing research know where it is because, for many years, we have stood outside the door awaiting decisions made inside. Moreover, many of these business decisions are made using our work.

In a world where an organization's success increasingly depends on the quality of information and analysis, it would seem that marketing researchers are essential to the decision making and strategy formulation processes of firms. However, marketing researchers have yet to claim their place at the corporate table to give voice to the data.

Why Hasn't It Happened?

At the AMA's 2002 Annual Marketing Research Conference, industry leaders suggested that researchers have been too wrapped up in executing the requests they receive from their brand marketing colleagues—in other words, taking and filling orders. In the Sept. 16, 2002, issue of Marketing News, industry leaders called on researchers to "move beyond the task of simply crunching numbers"
Marketing researchers, on the other hand, are the scientists of the business world. Scientists, by definition, are systematic and objective in their approach to problems; they are dispassionate about the ideas they research. They apply a systematic method to an issue and then objectively observe the results. It’s not surprising, therefore, that when professors Paul Green and Donald Tull gave this definition of marketing research, the scientific method took center stage:

“Marketing research is the systematic and objective search for, and analysis of, information relevant to the identification and solution of any problem in the field of marketing.”

Green and Tull (1993), Research for Marketing Decisions

Researchers can be passionate, too, but in a fundamentally different way. The good ones are passionate about discovery, about finding patterns in a sea of data and creating insights out of them. However, many marketing researchers become passionate only when they feel their research findings are being ignored or not properly used. Often, this passion is aroused when the researcher’s data shows that an idea probably won’t work, yet the project is going forward anyway.

Consider the case of an energy marketer in the Northeastern United States, whose senior management hatched an idea that looked great on the surface. Some of the firm’s managers wanted to open a chain of retail stores where customers could shop for energy-related appliances like water heaters, furnaces, and gas fireplace logs. They could also pay their energy bills and sign up for service plans at the store.

The boss selected a marketer to serve as the project’s “champion” to get the project off the ground—the "Passionate Champion Marketer" (PCM), who adopted the idea as his own. The PCM assembled a team that included a member from the marketing research department. He turned to the marketing researcher to provide data, fully expecting that the research would support his idea, thereby confirming that it should merit both corporate funding and a high level of passion to be aroused in the other project team members.

When the results came in, however, the researcher reported that consumers were not enthusiastic about the idea and it probably would not work. Very quickly, the researcher earned the label of “not a team player” and “obstructionist.” In response, the researcher took offense, and tensions grew. The PCM came to regard the researcher as one of the obstacles that must be knocked down and run over for the project to succeed. In the PCM’s opinion, the researcher did not have the passion required to make the idea a success.

Few researchers have the skills, much less the power, to take on a PCM with a full head of steam and the backing of management. So, despite the research, the project went ahead and the firm embarked on plans for a chain of 80 retail stores with more to come. Within two years, after only 10 stores opened, the project failed, the stores closed, and the idea was abandoned.

This scenario plays out even in large companies that appear to be sophisticated enough to listen to the facts. For example,
Bob Lutz, who recently came out of retirement to lead General Motors' new product development group after a successful stint at Chrysler, where he was responsible for developing the PT Cruiser and Dodge Viper, made these observations about what he discovered upon his arrival at GM:

"With many of the vehicles already here at GM when I arrived, I said, 'Those are pretty ugly vehicles, how did we research these?' After reading the research reports, I found that's exactly what the research said: 'It's butt-ugly, has low appeal...'. But once something had been blessed by senior management, nobody questioned it anymore... I asked about the (Pontiac) Aztek. The people who questioned it were taken into the woodshed by the boss and told, 'That thing is going forward, it's going to be great, and we have to believe in it and support it 100%. I don't ever want to hear you or anybody else questioning this because we can't use doubters around here.'"

"Revenge of the Car Guy," July 4-11, 2002, Rolling Stone

What would have happened had GM's marketing researchers succeeded in blocking those vehicle programs and the projects had not moved forward? True enough, failure could have been avoided and precious resources could have been saved. However, even then, the research department would have received little praise. While the firm would have saved some money and resources, it also would have lost a growth opportunity. Passion for not taking action is not the kind of passion management wants to see. While marketing researchers must use their skills to keep companies from making mistakes, their ability to help the firm avoid pitfalls is not enough.

**The Route to the Table**

Although marketing researchers make enormous contributions to organizations by providing good data at the right time, marketing and brand managers are the ones who use the data to decide on a course of action. In order to improve their standing within their organizations and attain a prominent place at the corporate table, researchers must make simultaneous contributions at four key levels of the firm's business planning and marketing processes. The first two are necessary but not sufficient, as they take place below the radar of management. The latter two, however, can provide a platform for researchers to help guide their organizations to new levels.

**Avoiding failure.** Companies need growth, often in the form of new products and services. Companies spend billions every year to develop and introduce new products, so there is a considerable amount at stake. Yet many of them will fail. According to Marketing Intelligence's ProductScan Online, a service that tracks new product introductions in the consumer packaged-goods industry, more than 30,000 new products are now introduced every year in the United States. These products compete for space in retail supermarkets, which have capacity to carry a total of 20,000-30,000 items, both new and existing. (See Exhibit 1.)

While a number of business writers proclaim that failure is often good and even necessary for innovation to thrive, it can be expensive. Furthermore, strategic mistakes are often the cause of companies' troubles. Using data from Mercer Consulting, Eric Almquist and Andy Pierce showed that strategic errors were most often to blame for the woes of Fortune 1000 companies who suffered significant losses in shareholder value in a short period of time. Of the specific strategic errors these firms made, "demand shortfall" topped the list. When researchers guide opportunities with accurate estimates of customer demand, they provide a valuable strategic service to management and shareholders.

Failure is also costly in terms of employee morale, especially among team members who put their hearts and souls into an idea that does not work out. As passion increases, people take things more personally (just as management wants). If an initiative fails, team members feel as though they have failed, even if it becomes apparent that the idea was bad from the start.

In an era where cost reduction has become paramount, it's interesting that contrary research is often ignored and sidelined even when it could save substantial amounts of time and money. Perhaps this is because cost savings are prized when they apply to operating expenses or costs of goods sold. New growth initiatives fall into a different category. Companies consider growth initiatives as investments, and thus use a different metric to evaluate the expense. No one begins a new program believing that the resources being invested will not result in growth.

Regardless of whether the researcher helps avoid failure or confirms the merit of an idea, this area of responsibility
remains largely outside senior management's field of vision. If the data comes back with a negative verdict, marketers—not researchers—join management to decide whether the program should be killed or whether it should move forward regardless of the research findings. If the data comes back positive, marketers get management to authorize the project, and it proceeds to implementation under the direction of a PCM. Either way, management does not hear the news from the research department.

Enabling success. Most firms rely on marketing research departments to provide data to the brand marketing and sales teams so that successes can be achieved in many areas, including new product launches, brand management and stewardship, the efficiency of marketing operations, and advertising effectiveness. In this context, the marketing researcher participates on a team charged with accomplishing an objective for the firm. The great majority of a firm's marketing research activities fall into this category. At this stage, whether the objective or initiative has merit is already decided. The marketing researcher helps the team make decisions about the most efficient and effective ways to spend its limited marketing funds to achieve the greatest result. This is not limited to new product initiatives. These activities include tracking studies, usage and attitude studies, copy testing and advertising research, sales promotion evaluation, sales analysis, strategic positioning studies, and many more.

Here, passion counts. The researcher must be one of the team members who runs through walls to complete the job, who discovers how to be successful with limited resources. Researchers are in a unique position to help the team achieve its goals. They play the part of enablers of success.

Consider the case of a marketing research director for a large health insurance plan. The firm's CEO assigned her to a special satisfaction improvement team concerned with declining customer satisfaction scores and the negative effects they could have on the firm's customer retention and profitability.

After overcoming some initial defensiveness about the satisfaction scores, the team began brainstorming ways of improving the organization's performance and raising customer satisfaction. They came up with some terrific strategies to increase customer satisfaction, and the team was very excited about implementing them. However, they would need immediate feedback to determine which ideas were working. They couldn't wait until the next major customer satisfaction survey was conducted the following year, nor did they have the budget to conduct an extra survey or call customers after service encounters to administer special surveys.

The marketing research director made it a personal mission to find a way for the team to obtain the data in a timely man-

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ner. She decided to create an online survey that each customer could complete after a service encounter. The only thing the service representatives needed to do was to ask the customer for his/her e-mail address and announce that a survey would be e-mailed to them. She also convinced the firm to invest in a small-scale validation study to assure everyone that the online results would be comparable to those obtained through a more conventional research methodology. By putting this procedure into place, she created a system that provided nearly real-time customer satisfaction data that the team used to monitor operational improvements.

While praiseworthy, the director did what marketing researchers have done for decades: provide timely information to support the company's strategies. The work still took place beneath management's radar. Successful participation at this level is necessary but not sufficient to earn a place at the corporate table.

Discovering opportunities. In order to influence senior management, the marketing researcher needs to move beyond fulfilling research assignments designed to avoid failure or enable success. When marketing researchers look beyond already-generated ideas and already-created products, services, ads, or distribution channels, their strategic value increases. And this begins to attract management's attention.

Where the aforementioned steps dealt with the past and present, the task of discovering opportunities looks to the future. Management places high value on this activity because companies need growth, which has become exceedingly hard to achieve. Markets have become saturated, competition is intense, distribution channels have consolidated, product life cycles have shortened, and new technology is rapidly copied. Where can firms find growth?

Marketing researchers can play a critical role here. However, it means a significant shift in emphasis must take place in the marketing research field, from testing others' ideas to generating new ideas based on market demand. For example, instead of conducting usage and attitude studies, in which we measure how many people use certain products and what they think of them, researchers must focus on what people need to use and extrapolate to new ideas that will fulfill those uses.

Many marketing research executives will retort, "We already do that now." If so, it's not enough. Companies are starved for innovations to the point that they're looking for new sources, often outside the firm. In an October 2002 Harvard Business Review article, Darrell Rigby and Chris Zook argued that companies should take an open-market approach to innovation, seeking out new ideas from suppliers, strategic partners, alliances, and even competitors. They
In a paper presented at the AMA's 2000 Frontiers in Service conference, Gary Loveman shared the following story. He explained that, when he became CEO of Harrah's Entertainment, he recognized that same-store sales in the gaming industry declined predictably in the years after a new property opened. It was an accepted industry phenomenon: A property's first year was its best year. A former professor of marketing, Loveman saw a huge opportunity to change the nature of the business with marketing data. By creating a database of patrons who had visited Harrah's casinos, his team developed marketing programs to bring them back time and time again. The best, most profitable customers received special treatment including discounted hotel rooms and special privileges, while improved customer service helped make all guests feel welcome and want to return. Loveman and his team reversed the trend, generating same-store sales growth for the first time in recent history. Harrah's brands gained significant market share and reaped the benefits of a strong competitive position.

What does it take to achieve such a strategic transformation? Passion. Not only passion for discovery and analysis, but also passion to make a persuasive business case to management, and passion to see the idea come to life. Loveman and his team of analysts were passionate, first about being right, and then, equally important, about putting into place the strategies that changed the conventional wisdom about how things work in the gaming business.

Informed Innovation

Although we must remain dispassionate about the results of our work, we need not be dispassionate about our work. Marketing researchers can share the determination to succeed that has marked the leaders of industry, and we can do it without the slightest hint of compromising scientific integrity.

Research has long been stuck in a rut of responsiveness. Perhaps we haven’t had the opportunity to step beyond the deluge of requests for information that merely meets the day-to-day needs of business, while management continues to look elsewhere for ideas, innovation, and growth. But, despite business’ confidence in intuitive champions, the need for informed innovation remains—and so does that seat at the table.

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reported a survey of 200 global senior executives in which "91% of executives across all industries surveyed called increasing their company's capacity for innovation 'critical to creating future competitive advantage and earning profits.'" Clearly, the demand exists for new ideas.

In this arena, marketing researchers can unleash their passion for discovery and combine it with their analytical skills to create a powerful impact on the firm's strategy. Marketing researchers can become the passionate champions of innovation in the firm. They can discover new opportunities, rather than merely pass judgment on those proposed by others.

Transforming the business. At its best, marketing research redefines business strategy in today's marketplace. The rapid growth of giant retailers like Wal-Mart and Home Depot would not be possible without sophisticated distribution systems that run on real-time logistical data. Someone realized that supply-chain information could transform the business by generating enormous efficiencies as the enterprise scaled up. The question that marketing researchers need to ask is, "Are there opportunities for us to transform our business if we use our data to innovate?"