

The Collective, And How It Will Transform Marketing Research

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In the lobby of Discovery Network's headquarters is a stuffed Dodo bird. On the Island of Mauritius, the Dodo learned how to survive, and even thrive in its competitive niche. But, then came new competitors, with vastly different tactics for attack and encroachment. The rest is history.

I reflect on that fact as I walk past the jumbo screen that displaying the range of upcoming Discovery TV programs. In a conference room Chris Scembri, the SVP of Media, has gathered his entire senior team from each network. They have a problem to solve.

Discovery Communications achieved proof of success with online advertising and had been increasing their spending rather dramatically. As part of this move, they conducted a best practice presentation and summarized the insights in a short whitepaper for all to download from their intranet as needed.

However, within six months, the organization changed creative agencies and had turn-over among their in-house team – and things began to fall apart in terms of online effectiveness. The ROI evaporated. In-depth analysis found that the problem was almost entirely due to **not** following the best practices in terms of creative execution.

How many other market researchers and consultants can tell the same story of insights not applied to the detriment of profits?

One of the primary destroyers of marketing research value is the lack of systems to ensure implementation of insights. But, a new class of technologies is emerging that delivers “the collective” may change this. The collective is the combination of data models, human intelligence, and software linked to decision flow with the goal to generate insight, aid in decision making and ensure its implementation at scale. This is a game changer for marketing research.

An example

Scembri implemented Matterhorn, a prototypical example of *the collective*. That is, Matterhorn combines data models, software, human judgment and learning to align with decision flow.

To illustrate, Brad Feinberg, Director Media Planning & Partnerships at Discovery Network's had a major campaign to implement. He entered in the details through web based software, and an optimization module poured through billions of dollars' worth of carefully measured marketing campaigns and recommended a marketing mix including Television, online and other media. Within the system, Brad and his advertising agency partners tweaked and finalized the plan.

To make the campaign a success, Brad had to work with several stakeholders. His team didn't control the creative – but they had accumulated deep insights on how creative impacts the effectiveness of media. He needed ways to share this insight in a way that others would embrace.

Brad's work included connecting the planning tool with a best practice engine. Matterhorn automatically kept track of when the campaign was to run, the objectives, and what marketing channels were included in the campaign – therefore using this information it delivered targeted insights to the

right people as the campaign planning calendar progressed. Matterhorn delivered a checklist of best practices to inform the agency brief, and other targeted tips.

Equally important as getting best practices to the right people when they are most relevant is making room for new insights. When the CMO had a new idea for marketing involving social networks, Matterhorn gave the team flexibility to estimate impact, try it, measure it, and build their evolving social network best practices into the system to inform future campaigns.

Matterhorn is a specific example, but many other flavors of *the collective* are at work in the broader technology sphere – and these technologies are poised to change the face of marketing, and marketing research.

Beware of “BIMRMEMM”

BIMRMEMM are three acronyms BI, MRM, and EMM. These technologies are evolving to include the characteristics of *the collective*.

- BI, Business Intelligence, is a multi-billion dollar market category comprising systems that grew out of financial analysis. BI provides data warehouses and graphical user interfaces to access complex corporate data and garner insights from that data.
- MRM stands for Marketing Resource Management. MRM is the software that handles marketing budgeting, planning, billing and the like.
- EMM, Enterprise Marketing Management, defines a category of software used by marketing organizations to manage their end-to-end process including gathering and analyzing customer data, planning, budgeting and managing the creative production process, executing targeted customer communications, and measuring effectiveness.

Keep an eye on BIMRMEMM companies. In the BI space, examine: Oracle/Hyperion, SAS, SAP/Business Objects, IBM/Cognos, HP/Knightsbridge. In MRM/EMM, investigate: Aprimo, Assetlink, Marketing Central, Alterian, Unica, Orbis Global, and many more.

In addition, there are literally hundreds of “point solutions” which deliver a narrow aspect of BI, MRM or EMM. For example, the following companies deliver an aspect of MRM:

- Email marketers (e.g. ExactTarget, etc.)
- Search optimizers (Tarada, etc.)
- Demand side platforms and ad servers (Turn, etc.).

These companies started with message delivery and evolved to address workflow and analytics, but they have some of the ingredients of *the collective*. Through development, partnering or acquisition, they could become a powerful force if they can deliver the triangle of insights based on analytics, decision flow software, and human intelligence to provide *the collective*.

Is this something to worry about in ten years from now? Competition may be closer than you think. Forrester issued a report creating a new acronym, CCCM (Cross-Channel Campaign Management)¹ which merges workflow with channel planning and bleeds MRM workflow into the optimizer territory.

Consider one of the company’s product descriptions and see if it doesn’t sound like a competitor to marketing research firms:

“COMPANY X combines the world’s most advanced customer analytics with a multi-channel customer communications platform that orchestrates all inbound and outbound customer communications. This customer centric approach can empower your organization to gather customer data from any location, build customer understanding, anticipate and predict

¹ Forrester Wave: 091214_forrester_forrester wave_ cross-channel campaign management_ q4 2009.pdf

customer needs, identify relevant offers and then to engage each customer, wherever and whenever they decide to interact.”

Expect blurring of the lines between marketing research and technology based firms as companies merge and otherwise expand to deliver more end-to-end solutions for marketers.

Marketing research executives should also keep an eye on the “wild cards” which include the likes of Google, Yahoo, Microsoft, Exact Target, MTV Networks, Meredith, TiVo, and other advertising supported players. Even a company like Wal-Mart, which is increasingly selling advertising in-store, belongs to this category. The common denominator is that in the process of selling marketing/advertising programs to marketers, these companies have generated data, insight and sometimes analytic models on how to improve the marketer’s success. Wild card players offer for free what was once sold by research firms.

Why bother paying for marketing research on copy effectiveness when Yahoo and Microsoft build that into their Search Engine optimization application? Or, consider Google’s foray into TV advertising. They claimed to be able to access creative quality based on the propensity for people to switch the channel compared to the norm, established with a sophisticated Bayesian model. They suggest that creative testing may be replaced with in-market, real-time data. Or, consider what social network players such as Facebook and MySpace claim in terms of their data. Some suggest that they can do away with qualitative focus groups and ethnographic research. They suggest that one can cull what people post online and help marketers develop the right products, messages, and targeting strategies.

How to Compete

Firm that implements a BI, MRM or EMM system will have a degree of lock-in, and therefore, research firms should consider how to either deliver these systems themselves, or plug into them. The potent combo to watch for is when one of these firms delivers the collective – that is the combination of data models, intelligent workflow that automatically delivers insights, and the integration of human learning. If we wish to avoid the fate of the Dodo, we are well served to adapt to the emergence of *the collective*.