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Commentary: A Strategic Perspective on Capturing Marketing Information to Fuel Growth: Challenges and Future Research

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Firms are increasingly swimming in a growing sea of data (Kalaignanam et al. 2021). Yet, as evidenced by Marketing Science Institute's research priorities, most are having difficulties translating the opportunity potential afforded by these data into significant growth outcomes. Du et al. (2021, hereinafter Du et al.) highlight a number of areas in which researchers can help harness and leverage newly available data sources and tools in an effort to enable managers to uncover business opportunities. However, we believe that the root of the growth problem facing managers is both bigger and broader than data capture, requiring a significant refocusing of the academic research agenda. In this commentary, we identify two key problems limiting current knowledge and offer two new lenses to address them. We use these lenses to shed light on key challenges firms face in connecting data potential to realized growth outcomes in an effort to refocus the research agenda in a meaningful way.

New Lenses for Understanding the Data-to-Growth Pathway

First, the primary focus of most of the data and tools produced by recent developments in technology is on better understanding and improving the quality or productivity of the firm's execution of individual marketing activities such as pricing or message customization. Yet in most firms and markets, significant growth is usually a consequence of managers making new and different *insight-driven* strategic decisions (Rodriguez-Vila et al. 2020). While the term "insights" is widely used and with varying meaning, we think it is useful to view market insights as a new understanding of both *what* is happening (or likely to happen) in a marketplace and *why*, which has action implications with nontrivial performance potential for the firm. For example, Starbucks's pivot from roaster to coffee shop was built on the insight that for Italians, coffee drinking was a social activity built into their daily routines—leading to the testing of Howard Schultz's "third place"[1] supposition. Such insight-driven strategic decisions, the decision makers involved, and the data that enable them have not been the focus of—or even a major consideration in—most of the data-capture technology developments and allied research to date in marketing. This leaves large and important gaps in current knowledge related to insights. Most importantly, how can firms build and enhance their insights capability?

To expand the content focus of future research to address such questions, we offer a new lens outlined in Figure 1 that extends beyond data and their capture. In this view, while data are a necessary "fuel," the "engine" that creates firm growth is the firm's decisions and their marketplace executions, and the "driver" of that engine is the decision maker involved. Given this lens, the key elements that researchers need to study are therefore the decisions being made, the decision makers who make them, the data they use in doing so, and the organization and marketplace contexts within which they operate.

Second, as revealed by the research discussed in Du et al., most technology developments and allied research to date have focused on enabling and exploring the capture of previously unobservable marketplace phenomena at scale and speed. However, in practice, the majority of the challenges firms face in generating growth arise *after* data capture. Unfortunately, extant research has largely ignored these post-data-capture

[1] https://www.businessinsider.com/starbucks-reimagine-third-place-2019-3.

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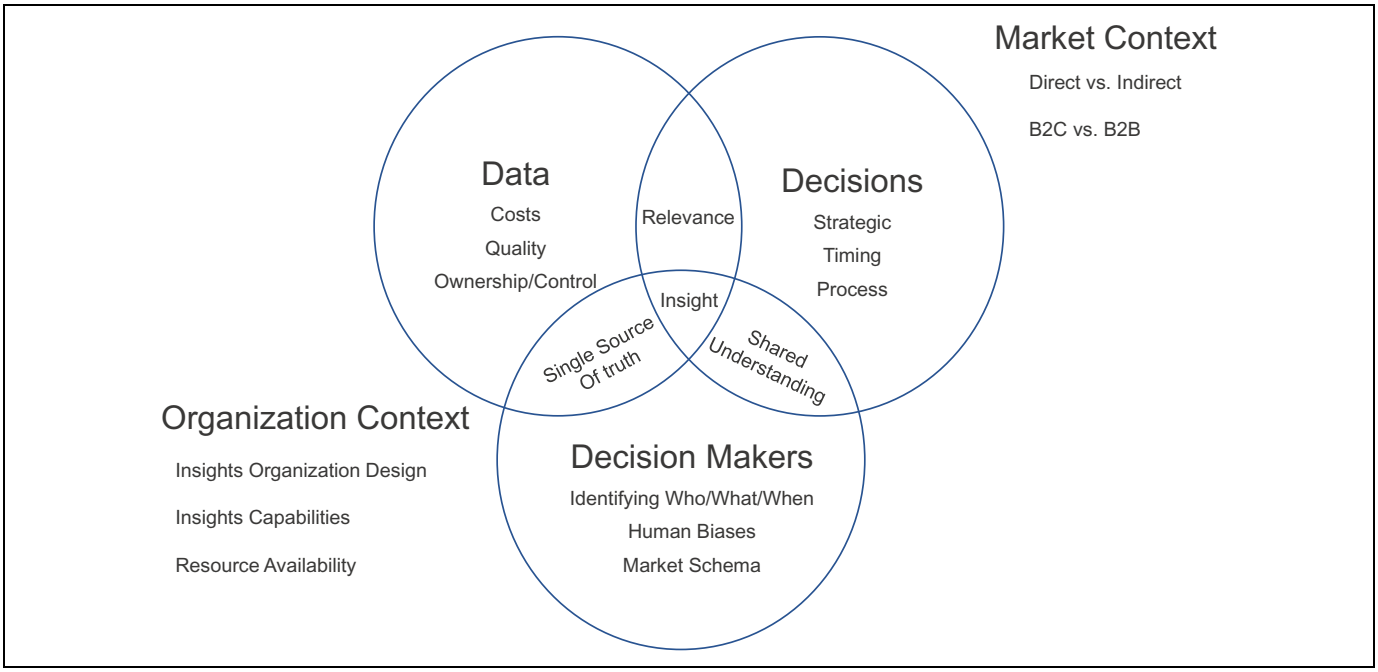

Figure 1. Key elements in understanding firm growth challenges.

stages and implicitly assumed that either the rest of the process runs smoothly or that, if not, improving capture will enhance the remaining steps required "to fuel growth." We question both assumptions and believe that research focused on exploring them could be highly productive.

To expand the focus of future research in this direction, Figure 2 offers a new process lens outlining a simplified model of the *data-to-growth pathway*, which identifies the major stages involved in connecting marketplace data to firm growth outcomes. The model reveals a long and complex series of interdependent steps required to connect available data to firm growth. At each step in the process, critical activities must be undertaken and decisions made. Decision makers also face important challenges that weaken these steps in many organizations that are flush with data. These steps and their associated challenges offer a rich agenda for important new research.

The next section combines these lenses to identify and illuminate key practical problems that academic research could help solve. Many of these challenges are inevitably "messy" in a real-world sense, which means they involve multiple elements of Figure 1 and often more than one stage of Figure 2. Given this, we point to where each problem "fits" with our two lenses when it is informative to do so.

Opportunities for Impactful Academic Research about Insight

We organize the key practice-based problem areas we identify around the decision maker, data, decision, and organizational context domains in Figure 1 and conclude with the more general—but vitally important—data-to-growth process challenge. This leaves many additional process questions raised in Figure 2. It also leaves unaddressed the marketplace context challenges for firms that do not (and may never be able to) sell directly to end-user customers and capture data when they do as highlighted in Figure 1. This is not to suggest that these are unimportant questions and contexts for future research, merely a prioritization choice given space constraints for exposition.

Designing from Decision Maker Back

Barring their sale to others, data are only valuable to the firm if they are processed and used by decision makers to make consequential decisions—hence our focus on insight as emerging from the intersection of these three factors in Figure 1. Yet, most extant research is focused on data and is oriented in what we call a "marketplace forward" direction, that is, focused on observing more of what is happening in the marketplace and bringing this inside the firm—largely ignoring the decision maker as well as the decisions being made. Adopting an alternative "decision maker back" perspective would both better align tools and data with "user" requirements and waste fewer resources in capturing and sharing data of less value (see also Andreasen 1985). It may also help reduce frictions in moving from both Stages 2 to 3 and 3 to 4 in the data-to-growth pathway (Figure 2) as the data fit the decisions and the decision maker.

Researchers have much work to do to uncover which data characteristics allow marketers to make better decisions. What are the dimensions of better information for different types of decisions? Are there ways to better elicit precisely what information is most valuable to a decision maker (as researchers have already done for customers)? In addition, how data are

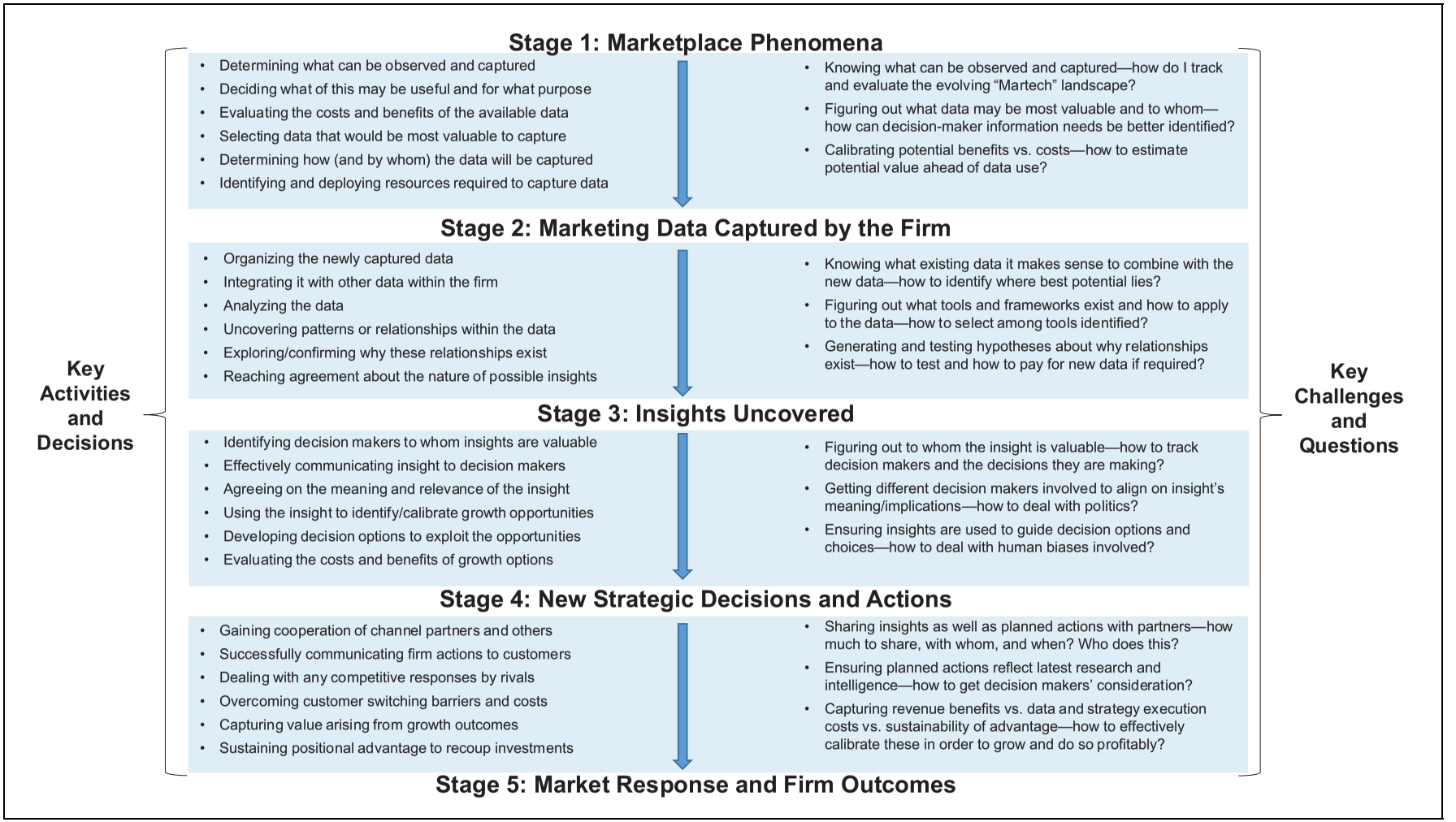

Figure 2. The data-to-growth pathway.

presented makes an enormous difference in how they are comprehended and used. Understanding when and how different approaches to data presentation and visualization affect decision maker comprehension and use in making different kinds of decisions would allow data to be presented in ways that maximize its value to decision makers.

Reducing Decision Maker Bias

As noted, the decision maker is a central actor in the insights-to-growth process. Much of the existing data and tool-focused research to date adopts a rational, objective, fact-based perspective, which implicitly assumes rational decision makers. However, it has long been determined that decision makers are inefficient and systematically biased seekers and users of information. We believe that in practice, insights generation and use is a domain in which such biases form particularly large and challenging barriers with very significant economic consequences. For example, local search biases may be a cause of "stickiness" in firms' identification of new marketplace data sources (from Stage 1 to 2 in Figure 2) and tools and decision makers' subsequent use of them (from Stage 2 to 3). Similarly, even if new data are captured and used to generate insights, biases may limit changes in decision makers' marketplace mental schema and decision options generated and selected. For example, loss aversion and the associated sunk-cost fallacy may lead a decision maker to continue with an existing course of action, and groupthink and other group-level biases must be overcome to persuade a group of decision makers. Such bias-related problems likely permeate the entire data-to-growth process. However, current approaches to dealing with this issue that focus on simply raising awareness and understanding of such biases seem to be insufficient. This raises interesting new questions, not least of which is this: Can new tools and approaches be developed and used to reduce or even counter such human decision-making biases in insight generation and activation?

Calibrating Data Benefits and Costs

In practice, decision makers need to evaluate both cost and revenue implications of their growth-related options and actions, including the data involved. As highlighted in Figure 1, this creates the challenging problem of estimating the likely benefits of data in the face of nontrivial investments required for data capture, and the contractual relationships often involved in purchasing data. Calibrating likely data-use benefits is important not only for making such decisions in moving from Stage 1 to 2 in Figure 2, but also for subsequent accountability evaluations of the data investments made at Stage 5, when outcomes are observed. Yet, little research is available to help managers estimate and track the value of insights investments. What approaches to valuing data potential can be usefully employed? For example, can approaches used to evaluate likely customer utilization of new data sources and tools be adapted for use inside the organization? Are there valuation approaches available in data science that may be adapted? Equally, while noted by Du et al., researchers tend to ignore data cost considerations, which include not only the data themselves but also analysis costs and the time and effort involved in using it. Opportunity costs also need to be considered as data budgets and managers' time are finite resources. Research focused on understanding how managers do—and should—calibrate these costs would be helpful. Identifying common errors and offering new frameworks such as options theory would be useful in creating new process tools to guide marketers' evaluations.

Identifying Growth-Relevant Insights for Strategic Decision Making

The marketplace phenomena that new technologies have made observable at scale and speed have focused mainly on transactions and short-term responses to actions such as advertising, price, assortments, and so on. These data can be used to make tactical decisions that may not even require human intervention (contributing to Du et al.'s streetlight problem). For example, marketing automation makes rapid and frequent market response data-driven adjustments to firm tactics such as pricing and advertising placements. Such local optimization enhances the efficiency of the firm's marketing execution. However, significant and sustainable growth generally comes from identifying, quantifying, and characterizing "new-ish" strategic opportunities—new segments in existing markets, new platforms or product ideas, and so on—which require larger investments, integrated program changes, and longer-term paybacks. These opportunities are what we characterize as having a high degree of strategic "relevance" in Figure 1 (at the intersection of data and decisions). For example, Jaworski and Lurie (2020) recount how uncovering a new segment led a business-to-business firm to make significant changes to its marketing program design and sales force organization that led to substantial growth. We need research that helps identify how insights used for longer-term strategic decisions differ from regular "research" findings used in more tactical and short-term decisions. How are such growth-relevant insights for strategic decisions generated? What inhibits their generation? What kinds of data and tools are most useful in doing so? Can marketing technology systems be designed to look for deeper patterns and opportunities that have more strategic potential for companies?

Understanding and Enhancing Synthesis

Identifying growth opportunities and generating strategic decision options that may best exploit them generally requires data from a large number and variety of sources and human syntheses that allow "why" insights in addition to the kind of "what"

data required for local optimization.[2] In practice, synthesizing different analyses and data sources in ways that allow potentially growth-relevant relationships to be uncovered is a particularly challenging area in insight generation (from Stage 2 to 3 in Figure 2). It usually involves a combination of data (e.g., different sources, tools, and techniques), decision maker (e.g., ability and willingness to synthesize, recognize patterns, and hunt for clues and supporting evidence as to why), and organizational (e.g., time and resource availability, analysts to support decision makers during the process) components. Why is this typically so hard to routinely do in firms? Which of the various components are the most problematic in generating the kinds of syntheses required for growth-relevant insight opportunity discovery? Are there "best practices" that may aid all firms in enhancing their ability to engage in such syntheses, or is this a contingency-based firm-specific process?

Enabling Shared Understanding

While technology developments that allow for the creation of "data lakes"[3] have helped firms combine new and existing data in ways that can be leveraged into "single sources of truth" (which lay at the intersection of decision makers and data in Figure 1), this does not automatically translate into shared understanding among decision makers (the intersection of decision makers and decisions in Figure 1). Since consequential firm decisions are usually a shared responsibility, this shared understanding of both the meaning of available data and analyses and its implications is vital (see the discussion of Salesforce's Customer Transformation Disciplines in Wild [2021]). Without this, decision makers spend most of their time arguing about the "facts" and engaging in political maneuvering to "sell" their individual viewpoints rather than jointly exploring how best to use their shared understanding of the meaning and implications of data and analysis to generate and select among relevant decision options. Gebhardt, Farrelly, and Conduit (2019) detail just how difficult it is to adjust decision makers' marketplace mental schema. And yet questions remain. What are the biggest barriers? Is the problem mainly a lack of shared understanding with respect to data and analysis meaning, or is it disagreements regarding its decision and action implications—or both? What are the roles of using common definitions of constructs (e.g., customer engagement) and variables (e.g., loyalty) in creating shared interpretations of data and analyses? Does the use of common analysis and decision-making frameworks enable a shared understanding with respect to the action implications of insights? Can shared understanding be accomplished without sacrificing diversity of thinking in generating insight-driven growth options?

[2] While artificial intelligence tools can help establish the existence of patterns in a data set, to date they have been much less useful in answering "why" questions, which is often where most of the insight lies.

[3] Centralized systems or repositories of data stored in their natural (or raw) format.

Organizing for Insights

As highlighted in Figure 1, the organizational context is a critical factor that influences all aspects of the data-to-growth pathway. Aligned with the Marketing Science Institute framing of the problem, Du et al. focus on technology developments and how they can be used to generate and capture marketplace data. Much less attention has been paid to the fundamental organizational questions involved in this process. For example, how can firms organize to better develop and benefit from marketplace insights? Should the "insights" function be centralized, dispersed, or some kind of hybrid? Staffed by specialists or generalists? Report to the chief marketing officer or someone else? Managing relationships with the insights organization is also an issue. Are insights personnel internal service providers, internal consultants, or partners in decision making? If partnering, how is responsibility and accountability for decisions managed? If service providers, are they organizers of external vendors or do they engage directly in data capture? Who should make decisions with respect to what to in-source versus outsource, and how should such decisions be made? In addition, how do you organize to make both scanning (marketplace forward) and research (decision maker back) work, and what should be the balance between the two?

Building Insights Capabilities

Another key organizational context issue concerns the "how-to" capability issues underpinning insight generation and activation. These organizational capabilities have been sidestepped by researchers interested in data and methods thus far, but therein lies the key to their effective and efficient use over time. Most importantly, we encourage marketing leaders to focus on how they can build and enhance their firms' ability to manage the stages outlined in Figure 2, which we think can form the basis of an effective insights capability. The focus needs to be on designing common processes for accomplishing these tasks using shared frameworks and tools across the firm. Researchers can help by addressing the questions outlined in Figure 2. In particular, it would be helpful to determine the following: What are the key tasks involved in generating and using insights? What processes, frameworks, and tools may be the most useful in accomplishing these tasks under different circumstances? Building capabilities also requires personnel with the knowledge and skills needed to use the tools and frameworks and who are held accountable for doing so. What are the commonly required knowledge and skill sets? How can these be developed or acquired? What are the benefits and costs of different approaches to holding people accountable for using common insights approaches across the organization?

Reducing Leakage and Frictions

As revealed in Figure 2, there are many interdependent steps required and challenges associated in moving from one stage to another in the data-to-growth process. For prioritization

purposes, research calibrating the extent of leakage—loss of value—between Figure 2's steps within stages, as well as between stages, would be a useful guide for managers and researchers. Research identifying the key sticking points and relative importance of various aspects of the problems uncovered would also be valuable in designing and selecting solutions to help reduce frictions in accomplishing required steps and in smoothing transitions between stages. For example, we believe that a great deal (possibly the majority) of leakage may be in moving from Stage 2 to 3—using data captured by the firm to generate insights. Is this supposition correct? If so, what steps are the most problematic tasks to accomplish and why? What distinguishes firms with lower leakage at this stage from others? We also believe that the fastest-growing area of leakage is in moving from Stage 1 to 2. This raises many questions that researchers could usefully explore. For example, how much do firms miss with respect to either not knowing or being able to evaluate what data they could possibly capture? What are the scale and nature of barriers to identifying new data and tools? How can they be overcome? What are the costs and benefits of doing so under various conditions?

Conclusion

As revealed in Figure 2, there are many things that must go right—and many opportunities for them not to—between new types of marketplace data generation and capture becoming available and managers subsequently obtaining and using new marketing data to change firm and customer behavior in ways that deliver firm growth. We believe that adopting a strategic perspective based on this understanding as shown in Figure 1—focusing on more than just the tools and technologies designed to observe and capture more of what is currently unobservable and marketplace contexts in which generating such data is easiest—offers researchers a much more valuable future opportunity. Our view is that effective insights lie at the intersection of data, decisions, and decision makers and leverage the organizational context as a basis for a profitable and sustainable platform for moving from data to growth. Marketing studies to date have tended to ignore these intersections, and we hope our research agenda has illuminated their importance. Further, we offer a set of process insights that need to be better understood and managed to move the firm closer to the goal of generating and activating valuable growth-relevant insights. In each case, we point to a range of challenges and research questions our field needs to address if we are to reach the goal of "insight about insight" that is required to support practitioners in this important area.

Declaration of Conflicting Interests

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