

How to Get Consumer Insights from Analytics



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Disclosures:

The examples referenced herein are from clients with whom I have worked over the course of my career.
I am intentionally vague about specific clients to protect any proprietary information.
The clients are real. The stories are real.

You may post this e-book on your blog or e-mail it to whomever you believe would benefit from reading it.
I hope you find it worth your time and it stimulates your thinking.

Thank you for reading.

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Introduction

Hello, I'm Tom Smith a marketing executive with more than 20 years of experience with more than 80 clients in 18 different industries around the world.

Over the course of my career, I've been involved with a lot of qualitative and quantitative research on a diverse array of products and services. I've analyzed Nielsen, BAR/LNA, distribution data, awareness tracking data and have used single and multi-variable regression analysis to make a lot of business cases. Some of these will be described in the following pages.

In the last 10 years I have become convinced of the importance of consumer insights. When I say consumer insights, a lot of people immediately think about end-users of B2C products. While consumer insights can include these people, you can also gather a lot of consumer insights from end users of B2B products and services as well as from the people selling products and services (i.e., the channel), the people recommending the products and services (i.e., referrals) as well as your own team members.

To understand how a target audience thinks about a product or service, I think it's imperative for you to talk to them first. Understand their terminology in order to have a dialogue using their language – not yours. Understand their wants and desires – not yours. When you create a dialogue with your customers, the insights you get, if you're listening, can be eye-opening.

The growth of social media analytics is astounding. Those analytics provide some very powerful information; however, they don't provide a lot of insights. I strongly recommend you include an ongoing collection of consumer insights to add a depth of understanding to your analytics. Together you'll have a 360° view of the customer.

As the following case studies show, there are ways to potentially save you, as well as **make** you, a lot of money.

I hope you enjoy the e-book and look forward to your feedback.

Antacids

Early in my career one of my clients was a large manufacturer of OTC antacids. This was during the day when prescription H₂ receptors, cimetidine and ranitidine, were being introduced by major pharmaceutical companies.

The client wanted to understand how much gastroenterologists (influencers) knew about the active ingredients in OTC antacids and how they were prescribing the new H₂ receptors versus recommending OTC antacids.

We conducted two 90-minute focus groups with gastroenterologists.

We learned that gastroenterologists:

- Had no clue about the active ingredients in any OTC antacid.
- Were readily prescribing H₂ receptors at the first sign of acid indigestion or reflux because their patients were requesting an immediate solution to their problem and the doctors did not want their patients coming back complaining that their problem had not been solved.

The insights for the client were rather obvious:

- **Do not waste any time or money advertising OTC antacids to physicians since no amount of advertising would overcome visits from pharmaceutical sales reps.**
- **We needed to communicate to consumers that not all heartburn requires a prescription medicine for which the long-term effects were unknown.**



Heavy Trucks

While working on the advertising for a heavy truck manufacturer, the client wanted to know the perception of their brand and the competition, first hand, from drivers on the road.

To learn more, I went on a cross country trip in one of the client's trucks with their "show truck" driver behind the wheel. I interviewed truck drivers, owner-operators and for hire, via C-B radio and one-on-one in truck stops.

We learned that all drivers, but especially owner-operators, are extremely brand loyal and have very deep seated opinions about each truck brand. In addition, drivers are very brand loyal and not likely to switch from a "driver's truck" (i.e., Peterbilt or Kenworth) to a "company truck" (i.e., Freightliner, Volvo, Navistar) unless they are forced to by the company they're driving for. We also discovered that Volvo's were seen as "safe, comfortable and foreign" with "foreign" being a negative. There was little awareness that Mercedes Benz owned Freightliner so, ironically Freightliner was not seen as a "foreign" truck.

These findings clearly defined who the client should be targeting and how to position the product based on the consumer insights provided by the road trip. **The resulting work helped the brand gain market share for three consecutive years for the first time in history.**



Retail Banking

I worked with a leading retail bank for five years and in the process conducted numerous focus groups and tracked switching preference, market share and share of spending every two months. The most important metric for the bank was “switching preference” since it measured where the customer was most likely to move their accounts if they switched banks.

After developing and producing a series of ten “head,” logic and fact-based, and “heart,” emotionally-based, TV commercials, we shared them with our target, ran them in different rotations and tracked bi-monthly metrics.

At the end of one year, I showed a strong positive correlation between switching preference and the amount of media weight put behind the “heart” commercials. Continued tracking with additional data points affirmed these findings.

Ultimately we used a heavier emphasis on “heart” commercials **to improve switching preference and help the bank seem more human and approachable and less rigid.**



Manufacturing

In the mid-1990's the pool and spa industry was in the midst of a share battle and our client was a distant third in the pool and spa equipment business with a limited product line, low awareness and weak perception among dealers, builders and end users.

We contacted 3,289 pool and spa dealers via telephone to understand more about their attitudes and perceptions as well as what they wanted from their equipment supplier.

We learned there were many things dealers and builders wanted but were not getting: frequent contact from sales reps, good customer support, sales incentive programs, improved warranties, faster parts deliveries, no competition with mass merchandisers, sales support, integrated systems that are easy to install, repair and replace.

From these channel insights, we created a multi-faceted marketing program and developed communications built around improved service offerings for dealers and builders. **Sales increased 38% in year one.** Dealers began to recognize our client as the "white knight" of the industry. The number two player in the industry offered themselves for sale to our client. **This and other acquisitions enabled our client to overtake the market leader in three years.**



Real Estate

This client was the only private golf course in a golf Mecca. The members were concerned over the lack of membership growth, whether or not the clubhouse dining and recreational facilities needed to be expanded and whether or not the golf course needed renovations.

I conducted in-depth, 45 to 60-minute, one-on-one interviews with 20 club members to determine:

- 1) Brand perceptions;
- 2) drivers of brand selection;
- 3) trends and attitudes regarding golf and club membership;
- 4) brand differentiators, strategies and positioning; and,
- 5) unsatisfied needs and potential areas for improvement.

These interviews revealed that respondents loved the club and the club pro “as is.” They wanted the club to remain just a golf club with no additional amenities. They did not feel the club had any competition even though there were numerous other golf courses. They felt the design of the golf course was the strongest value proposition and opinions about the future of food and beverage service were mixed.

Since this research was conducted with resident members, I recommended conducting the same research with non-resident members and sharing key findings with all members.

I provided an integrated marketing communications and The results of the research enabled the club to reach an investor who was interested in buying “golf-only” clubs.



Energy

Impending deregulation of the utilities industry was prompting tremendous change. Our client was in a vulnerable position as consolidation was taking place.

We conducted one-on-one interviews with client management and customers and learned the firm's strengths. In addition, telephone surveys were conducted with 1,300 corporate executives at 900 companies in 17 industries. Based on the information gathered, we were able to position the firm as the leader in providing customized energy services to American business.

The interviews revealed that American business leaders were unprepared for deregulation and the energy options available to them.

We identified the top-five energy using industries and designed and implemented a custom sales effort for each industry.

Our client **won and retained customers in each of the top five industries, length of corporate contracts grew as did customer satisfaction and renewal rates.** Ultimately this led to a greater investment by the international parent company.



Telecommunications

In 1992, the cellular industry was going through dramatic changes, very quickly. Our client was hemorrhaging market share.

We conducted in-depth interviews with customers who were leaving (churning) to go to another provider and learned their primary reasons for switching:
1) better rate plans; 2) lack of coverage; and, 3) poor customer service.

These findings enabled us to create a customer bonding and customer satisfaction measurement and improvement program which involved multiple mailings based on usage and demographics to build a dialogue with customers, **reduce churn by 29% in year one** and increase ongoing customer dialogue.

Heavy users were less affected by the customer bonding and CSMI programs so we did additional research among this segment and introduced a rewards program whereby the top 10% of customers were rewarded based on the number of minutes used. The rewards were based on the feedback we received from heavy users and **reduced churn by 9% resulting in \$16.2 million in saved revenue.**



Insurance (Sales Reps)

The client had 800 agents that were successfully selling life and automobile insurance. However, they also had an agreement with a large health insurer to sell their product as well. Sales of the health insurance product were not as successful. The client asked us to help them determine why and then develop a solution to the problem.

I conducted in-depth, 60 to 90-minute, interviews with 20 sales reps and then fielded an online survey with the other 780 reps to understand how they sell, what they sell and what they thought of the insurance product they were supposed to be selling.

The interviews revealed that selling health insurance was a low priority for the agents because they were not told otherwise and because their customers were not aware they sold health insurance. The agents typically didn't get around to selling health insurance during a one-hour sales call even though they thought very highly of the product.

We produced "sandwich board" signs to sit in front of every insurance office since they were on highly traveled roads. The signs simply announced that a particular brand of health insurance was available at this insurance office. **Twelve-month health insurance sales goals were achieved shortly after putting out the signs and six years later this cost efficient point-of-presence advertising is still being used.**



Insurance (Consumers)

Our client had built significant negative equity with consumers by attempting to convert from not-for-profit to for-profit status, paying the CEO more than \$2 million, having high rates and keeping 12 months worth of reserves versus an industry average of three to six months.

We conducted focus groups with current and past customers and a number of in-depth one-on-one interviews with customers who had been in exceptional circumstances and for whom the insurance company had “come to the rescue.”

We learned that our client was seen as being “expensive and worth it” and was described as being “Nordstrom and not Wal-Mart.” We also learned that among those people for whom our client had “come to the rescue” they had very powerful stories to share.

We developed a TV, print, OOH and web campaign that told the stories of how Our client had made a dramatic positive impact on people, and families, with significant medical needs and situations.

In the first eight weeks of the campaign, **positive perceptions of our client increased 18% while negative perceptions decreased 39%**. Overall awareness reached 99% and top-of-mind awareness reached 91%. Respondents were so enthralled with the stories of the individuals featured they were able to play them back in focus groups months after the commercials stopped running.



Fine Paper

The paper industry is complex with a multi-level distribution that includes merchants, designers, corporate end users, printers and publishers. Our client was in a fight for its life as use of fine printed paper was declining with the increase of electronic publications and pressure from competitors in the far-east improving their product quality while keeping prices low.

We conducted online surveys with more than 1,100 printers, designers and corporate end users and one-on-one surveys with more than 40 paper merchants.

From the results, we created a nine-question classification model to determine which segment (value, expert, brand involved) a particular target may fall. We provided the sales force the findings for each prospect so they could target their consultative sales approach. We also developed a unified brand positioning but distinct value propositions, communication plans, strategies and tactics for each segment/channel.

Our efforts increased brand awareness and helped our client become the most trusted printing resource by providing targeted, meaningful communications and support to each segment/channel. Among printers, we **grew share by 7.4%** and identified segments with the greatest revenue and margin potential. Among designers and corporate end users, we integrated acquired brands into the existing product portfolio, provided global inspiration to designers and **identified segments with the greatest revenue and margin opportunities**. Finally, among printers, we **increased share from 26.7% to 29.3%** and **rebuilt relationships that had eroded over time**.



Industrial Paper

Our client had a successful paper wipe selling in the DIY segment and they wanted to market to the industrial segment to replace the red shop rag.

We conducted in-depth mini-focus groups of users of the red shop rag. During these groups, our goal was to determine users' emotional linkage with the red shop rag. Well into the groups we were able to track these users' emotional linkage back to when they were children helping their father work on their cars or other projects around the house. It turns out the red shop rag was a badge of respect, honor and accomplishment for people who work on production lines.

Rather than marketing the paper wipes as a replacement for the red shop rag, we marketed them as something to use to clean up "real messes" in order to preserve their red shop rags.

Imagine how much money could have been wasted trying to replace a product whose users had such an emotional attachment to the product we were proposing to replace.



OTC Product

Our client was preparing to launch a line extension for its very successful skin care product. After several concept tests for line extensions, it was decided that a scented product for children would be launched.

We conducted six focus groups in three cities with moms who were users and non-users of the original product.

Users and non-users alike were equally excited about having a skin care product for their children. Non-users were more likely to buy the product for their children because they felt like it was worth spending money on their kids more so than on themselves. The key learning from these groups was that moms were much more concerned about their daughters' skin versus their sons' and the face was an area of significantly greater concern than other parts of the body.

We developed three executions of the campaign as a result of the focus groups – two featuring girls and one featuring boys and all of the executions focused on the face.

This knowledge contributed to the successful launch of the line extension.



Conclusions

The data available today is tremendous. Business people value quantitative data more than qualitative data. However, as the case studies on the previous pages have shown, none of these clients would have the successes they did without consumer insights (qualitative data).

My goal with this e-book is to increase awareness of the added value consumer insights can provide from all of the analytic data being collected and reported.

When I reported my findings from the 20 interviews for the insurance provider's agents, the client was astonished with the depth of insights these interviews provided and wanted to see if we'd get the same results from his 780 other agents. While it was cost, and time, prohibitive to do this via one-on-one interviews, we replicated the survey online. The results of the online survey completely validated the interviews but with much less depth.

As with any project, you need to identify your objective. What you want and need to know will drive what methodologies and questions you use to get the answers. The key is to give the respondents sufficient time to get comfortable with you and to open up about what's driving their thinking. It is at this point that you will begin to see the emotional links consumers have with different products and services. These emotional links allow you to create more powerful, compelling and effective communications.

Today consumers drive marketing more than marketers do. As such, I believe it's important to talk to your customers, sales people, channel partners and employees before making any major decisions about your marketing efforts rather than letting your planning, decisions and marketing communications be dictated by analytics without consumer insights.

What do you think?

Next Step

For more information about this topic, sample discussion guides, or to discuss specific project needs, please call or write to:

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Thank you.