

Why Certain Market Intelligence Methods Offer a Competitive Edge

A white paper by Sharon Bailey-Beckett
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Executive Summary

In many human endeavors, the tools that we use can contribute to more effective outcomes than others. So it goes in market research. This white paper seeks to shine a light on a tool of Conjoint Analysis so that buyers of market research services can be more informed.

The Author

Sharon Bailey-Beckett, a Principal in the firm of Beckett Advisors, leads a team that crafts and guides expansion initiatives founded upon quantitative and qualitative behavioral research. Her approach delivers high yield to clients looking for pathways to growth, customer retention and sustained business health.

An advisor to numerous CEOs and senior managers, Sharon has authored many studies and trade articles on industry trends, supply chains and strategies for expansion.

During her career, the teams under her leadership have created a series of marketing successes for such corporations as Nickelodeon, Phillips Magnavox and BNSF Railroad.

Is it Data or Knowledge?

There's a poem that tells of two ships, one sailing west and the other sailing east, both vessels pushed along by the exact same breeze. The poem explains that it's not the breeze that makes the difference in the directions the ships are sailing, but the set of the sails.

The same is true in the gathering of market intelligence, be it customer, influencer, competitor or employee.

The winds of market intelligence blow equally for all that seek to gain knowledge. But some gather more deeply, sail effortlessly, and move ahead smartly, while others struggle with the same market intelligence winds, delivering data that fails to harness all of the forces at work. The one thing that would make the difference for them is a superior methodology, a set of the sails so to speak. Gathered data, based upon a superior set of sails, is richer and more directed—it changes from being data to being useful knowledge upon which action can immediately commence.

Insight Ranking—Tried and True Tool of Conjoint Analysis

At Beckett, one of our tried and true methodologies is called Insight Ranking. We see it as one of the most important ingredients for detecting growth opportunities that we can leverage on behalf of our clients.

Insight Ranking is a market intelligence tool that helps respondents prioritize the benefits that they receive from using a product or having a relationship with a particular business. It is a way to rank benefits that are “most” important all the way to “least” important for respondents—it gets engineers, scientists or business leadership talking and sharing rich insights because they enjoy the process and learn from it while they are contributing to it. Our clients' customers and/or other constituent groups see it as time well spent and tell us so.

It is a process that leads clients to the right answer; it doesn't offer data that is fuzzy or that needs to be further refined. It leads to superior positioning based upon deeply insightful conversations between your customer, competitor or employee and Beckett staff.

CASE IN POINT: (names have been changed for reasons of confidentiality) Jones Contract Manufacturing (Beckett client with 17 global locations) and Smith Network Management (Jones' customer—a large multinational firm)

OBJECTIVE: Provide management with a clear way to increase customer satisfaction of Jones' Tier I customers.

THE PARTICIPANTS: The Beckett team assigns senior consultants to interact with our clients' customers. In this case study, a Beckett Principal engaged four of Smith's Global Commodity Managers, a VP of Strategic Alliances, a VP of Procurement, five Purchasing Engineers, one Mechanical Engineer Manager. We interviewed a total of twelve points of senior contact within Smith.

PREPARATION: The Jones management team provided a list of 35 reasons (or benefits) why they felt their customers continued to work with them. The sales force and account management teams used roughly one third of these reasons as points of competitive differentiation when calling on new prospects and current customers.

These 35 reasons included fairly typical benefits such as the following twelve representatives:

- Engineering support
- Zero defects
- Testing capabilities
- A good reputation in the industry
- Financial stability
- Total program management
- Cost savings
- Global footprint
- Vertical integration
- Extensive experience in customers' core areas
- Speed to market support
- Long-term relationship focus

Those Surveyed Stated that They Benefited From Insight Ranking

When employing the Insight Ranking tool (with each of the twelve persons individually), respondents were asked to separate the 35 benefits into Very Important, Moderately Important and Not Very Important categories. As they physically separated the benefits and then ranked them within each category, the Beckett Principal noted their responses to each of the benefits and asked them questions about their decision-making process, capturing insights that the Smith people did not feel comfortable directly sharing with Jones.

The Jones' management team confirmed that they had never received such frank input directly from their customers.

At the end of the exercise and frequently during it, each of the twelve Smith managers commented on the helpfulness of the tool. They stated that they were learning many new things about themselves and all of the outsourced relationships that they were charged with managing.

Two persons noted that Jones had already increased their customer satisfaction just by employing highly competent info gatherers who had a process that enriched them professionally; this put them at ease and they felt like they could have a conversation with someone who was their peer.

Insight, Action and All-Important Results

Other key insights gained that were immediately acted upon were:

Get to Know Your Target Audience Much Better Than You Think You Do

1. Not surprisingly, Conjoint Analysis uncovered the fact that Purchasing Engineers and Global Commodity Managers ranked the benefits very differently, yet the sales force was using a one size fits all approach to presenting Jones' Unique Selling Proposition. This helped Jones' Sales VP make improvements in sales presentations to new prospects, which had immediate results. Sales staff noted that decision-making took two-thirds less time than prior to the installation of the new communication platform.
2. Jones' account management team had thought that their relationship with this specific Tier I customer was in pretty good shape, but via 3rd party interaction, intelligent conversation and the ranking activity, one key Global Commodity Manager shared the following comment and then went on to elaborate: "At this time, there is a vast opportunity for improvement between Jones and Smith."

Know What Your Target Audience Really Thinks About You Via a 3rd Party

3. The Sales VP was also surprised to learn that his team had not succeeded in communicating the value of newly acquired capabilities to the customer. Equally surprised was the account management team when they heard, “The recent Jones’ acquisitions are nice, but we need to be convinced that Jones can integrate the new capabilities well. Jones has to prove that their newly integrated business model makes sense for us. They have to say, “Here’s how it’s going to benefit you”. They need to show us the business plan.”

(Please note: These sorts of discoveries are not rare. Often, we hear management say that their sales or account management teams are fully in tune with customer needs. Yet frequently, research reveals human inattention to the obvious. On the whole, we see that account management and sales teams are not being reviewed on a quarterly basis, communication standards are not in use, teams are not disciplined to speak with one voice, and even the most cherished customer relationships are carelessly maintained.)

Know What Your Target Audience Really Wants From You

4. Jones had invested in developing an excellent Program Management system, but again, due to poor communication, Smith did not perceive the strengths of the Jones system. Two Smith managers stated the following in different ways, “Jones needs to become stronger in Program Management. By program management, I mean be more proactive, always be among our internal customers, and understand from them what our new program requirements are, so Jones can start early and get engaged from the beginning. Get in at the napkin stage. I’d like to see Jones manage the program from conceptual napkin stage right through to production. Right now, we pretty much lead the way, but we want them to lead.”

As a result of these comments, the Beckett team recommended that Jones place an in-house design engineer at the premises of Smith. Jones said that they had offered this service two years ago, but Smith had rejected it. The timing was wrong at that time and new Smith managers had come on board and the offer had not been extended a second time.

Now, Jones made the offer and Smith accepted. A \$29M contract was inked 2 weeks after the placement of the 5-day-per week engineer. The Jones team credited 3rd party Insight Ranking with the deal.

Place Initial Attention Where Improvements Will Count Most

5. When we asked Smith what advantages the competition had over Jones, the top three criticisms were:

- Better Customer Support
- Competitive Cost
- More Pro-Active

After a quarterly customer care and maintenance program was put in place, Jones remarked that Smith's satisfaction had increased evidenced by the steady flow of contracts.

SUMMARY: Without Insight Ranking—a tool of Conjoint Analysis:

Smith's managers would have been less inclined to share the specificity of detail that resulted. Without the detail, it would be difficult for Jones to take corrective action.

Smith's managers stated that Insight Ranking was a learning experience—that it provided critical thinking skills for considering other outsourced relationships.

Jones may have lost the Smith contract if it weren't for the Conjoint Analysis intervention. Jones' account management team was not performing in the manner that Smith desired—the manager had said, “At this time, there is a vast opportunity for improvement between Jones and Smith.”

The Jones team experienced immediate and gratifying ROI within weeks of the research and adjustments in customer interaction—Smith awarded a new \$29M contract to Jones.

Insight Ranking Is a Flexible Tool

We have used this technique with employee, customer and other stakeholder surveys. Though modified for different audiences, the results are always consistent. Insight Ranking is a superior set of sails and enables a win-win environment for all sides of the engagement.



Questions? Sharon Bailey-Beckett 1-800-336-8797 welcomes your phone call or contact her at SharonB@beckettadvisors.com.