

I'm a Researcher – get me outta here! (6)

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When data becomes foresight

It's not too long ago that market research was viewed as 'data' by many corporations and users. Even today, somewhere around half of corporate research departments are little more than order takers for data, according to research done by BCG, Cambiar and Yale. And yet, over the past few years there has been a discernable movement among many larger brands to elevate their research functions into becoming strategic partners and sources of competitive advantage. For insights teams in these companies, the 'seat at the table' has either arrived or is close by.

Yet, at the same time as this has been taking place, there has also been a movement – almost a rush – to data analytics as a key source for decision-making. This is most visible where behavioural data are concerned. Frankly, the advent of 'data supremacy' should come as a surprise to no-one – after all, companies are swimming in it. Purchase data, surfing data, social media data, CRM data, CX data – it's all around us. But data on their own are not, and can never be, the whole story. Many wise observers and practitioners have long been saying that behavioural data are fine for working out the 'what', but deficient at giving us the 'why'. Yes, there are those data gurus who would argue that an intelligent algorithm can give us the 'why', but algorithms are only as good as those who program them – and the same goes for machine learning. Which is why consumer insights functions in many firms are still thriving – management needs to understand and act upon *human* understanding as well as the numbers if they are going to gain competitive advantage.

Lately, however, many insights professionals are being asked to do even more. They are being asked the question 'what next?'. In other words, the emphasis has changed from 'what?' to 'so what?' to 'now what?'. And that last question begs many others.

Let's take a hypothetical case of an airline. We'll call it Global Airways (call sign GA). Over the last three months, the data would show that air traffic had dropped off by 95% but was now ticking up and twice the number of passengers were flying than was the case a month ago. Algorithms might assume that this would continue into the foreseeable future and the management of GA would accordingly bring more routes and aircraft into action. Furthermore, they might decide to start filling their flights to capacity instead of blanking off middle seats. (American readers might get sense of *déjà vu* here). Insights data, however, might show that the number of people willing to fly in the foreseeable future were limited. Moreover, they might show that potential flyers would not be happy with full flights and would interpret such decisions as a lack of caring for their welfare. This might cause previously loyal flyers to

question their loyalty to GA. Such insights potentially could cause GA management to rethink their decision.

At this point, we have moved from data to insight – from ‘what?’ to ‘so what?’.

But let’s now try to move to ‘now what?’ – or, in other words, to foresight. If the number of people truly willing to fly is limited, what does that mean for routes and aircraft utilization? If filling a plane to capacity is not a viable solution, what are the implications for load capacity and, in turn, fares? If previously loyal customers decide to defect, what are the long-term ramifications for viability and to whom will they defect? What is the competition doing that is different to what GA is contemplating? Are there alternative strategies?

And it goes beyond even this. How viable is it to continue offering lounges in semi-deserted airports? Does GA need all those slots at JFK and Heathrow? And what about all those alliances with rental car companies and hotel chains – should they be continued?

The insights function, inclusive of data analytics, is in a position to posit scenarios to all of these questions and many more. For example, they may uncover the fact that many CEOs have determined that a large proportion of their business travel is unnecessary and that it will not resume once the pandemic is over. They may also discover that there will be fewer in-person conferences in the future and that digital conferences and meetings will continue to thrive. What does this mean for future strategy? Should GA buy Global Digital Teams?

In many of the really future-thinking corporations right now, these are the questions that insights teams are looking to answer – even if only in the form of scenario planning. These are no longer merely ‘insights’ teams. They are ‘foresight’ teams.