



A CONSUMER MARKETING FRAMEWORK FOR ORGANIZATIONAL MATURITY IN DATA AND ANALYTICS

AN  WHITE PAPER

For better or worse, we live in a world that is hyper-attentive to data and analytics. There are a handful of organizations who have mastered data and analytics, others who have succeeded to various degrees, and others who aspire to succeed. Yet we continue to debate how and why a large portion of business intelligence and data analytics projects fail to meet expectations.

There is general awareness that impact from analytics is realized only when it is used to make a business/research decision, and analytics professionals recognize the importance of collaboration with non-analytics professionals. We talk about how to better understand each other, perhaps more than we have in the past. Despite that, there are persistent views that analytics professionals and non-analytics professionals do not understand, or worse, are incapable of understanding, each other. The reality is that they often still struggle to close the gap between each other, and organizations are trying to figure out how to best leverage data and analytics against this backdrop.

The intended end users of analytical outputs are commonly viewed as internal or external clients, or as collaborators, in recognition that someone should receive those outputs. However, it may be more constructive to think of them as consumers who drive demand. We can think of examples from our everyday world in which consumers are willingly engaged with a product. People have lined up with excitement for a launch of a new smartphone without being coerced to buy the latest model. A new coaching staff of a sports team re-engaged the fan base by connecting with the fans so successfully that the attendance tripled; the fans were eager to experience the new “product” without ever being asked. How much more data-informed would your organization be if everyone in it were as enthused consumers of analytics as the consumers of the hottest technology or as the most fanatic of the fans?

HOW MUCH MORE DATA-INFORMED WOULD YOUR ORGANIZATION BE IF EVERYONE WERE ENTHUSED CONSUMERS OF ANALYTICS?

THE “SUPPLY AND DEMAND” OF ANALYTICALLY DERIVED INSIGHTS

The fact that there are people who produce insights and those who use those insights explicitly or implicitly, suggests that this is first an economics problem. We can think in terms of classic supply and demand, in which the analytics professionals supply insights and the users generate the demand for the insights. At one extreme of no demand, no one uses insights, while at the other extreme of no supply, there are no insights to be used; either way, analytics has no impact. Obviously, these are the extreme cases—there are many gradients in between, and even relatively mature organizations at times see analytics capabilities that go underutilized. How many elegant analytical models sit on the shelf unused, never to see the light of the day?

If we accept the notion that analytics is an economics problem, it is a relatively small stretch to put it into the context of the consumer market. Since a "market" is where sellers and buyers (voluntarily) exchange things, a market for insights exists between the analytics professionals and the business users of the insights. Although the things being exchanged are intangible and may not naturally lend to the idea of an exchange at first, it is clear there would be no business reason for analytics without those consuming analytically derived insights. It can further be argued that analytics adoption reflects the degree to which

business users are willing to consume the insights (except in the context of regulatory compliance or other mandate, in which it may reflect more the degree to which they are obligated to consume). The analytics market thrives when insights are consumed extensively by conscious or subconscious consumer demand, creating an ecosystem that drives decisions throughout the organization.

DEVELOPMENT OF THE ANALYTICAL ECOSYSTEM AS A MARKETING PROBLEM

The development of data and analytics organizational maturity, then, becomes a marketing problem for the managers of the organization. The consumer marketing framework is not only immediately recognizable from the business perspective, but also provides a context to which many of us can relate as consumers. Thinking of the four Ps of marketing, the product is analytically derived insight that informs the

ANALYTICS THRIVES AS INSIGHTS ARE CONSUMED EXTENSIVELY BY DEMAND, CREATING AN ECOSYSTEM THAT DRIVES DECISIONS.

user in making decisions, the price (what the consumer puts into the exchange) is what the user must do to leverage the insight, and the place (i.e. the distribution channel) is typically the organization and/or the management. It quickly becomes evident that promotion is gap—it is not always well defined.

Details may differ depending on whether analytics supports the enterprise core capabilities or is itself an enterprise core offering. The direct consumers of the insights are internal to the organization in the former case, external in the latter. However, these are simply differences in the target market and in the distribution; they have little impact to the framework, commercial and legal implications aside.

A CUSTOMER-CENTRIC APPROACH TO DEVELOPING AN ANALYTICS ECOSYSTEM

Perhaps the biggest barrier to developing an analytics ecosystem is the persistent industry hype that:

- misidentifies the final product to be the analytics rather than the resulting insights,
- inflates the real value of analytically derived insights by the *perception* of demand, and
- speculates the supply shortage due to potential scarcity of competent analytics professionals.

This leads to some important and interrelated market problems:

Misunderstanding of the competitive environment. As a product, the analytically derived insight has competitions—the competing products are whatever that compete with these insights from the end user’s perspective. Analytics is simply a methodology to generate the insights—only a *feature* of the product. However, misidentifying the product as described earlier leads to misunderstanding the competitive environment. This has implications in how analytics should be “marketed” to the end users, since marketing a feature of a product is different from marketing the product itself.

THE INSIGHT IS THE PRODUCT; ANALYTICS IS ONLY A FEATURE OF THE PRODUCT.

The illusion of a seller's market. The hype at the industry level has created the illusion of a seller's market for analytics. However, the market for analytically derived insight is still mostly a buyer's market with a handful of exceptions. Buyers need to be convinced to buy the analytically derived insights, in view of their own interest, challenges, likes, and dislikes; they have the upper hand. This is a challenge for both analytics professionals and managers of organizations aspiring to be more data-informed.

Product-centric tendencies. Analytics evangelists—analytics professionals as well as organizational managers and sponsors—often take a product-centric, rather than customer-centric, approach by emphasizing the superiority of analytics. Misidentification of the product aside, it is generally understood that the product-centric approach to marketing in a buyer's market has challenges. In addition, product centrality tends to commoditize the very thing being sold, so this approach risks commoditizing analytics. Finally, today's consumers are already more predisposed to the customer-centric approach and tend to focus on the entire experience, not just the superiority of a product; they are naturally less receptive to product-centric approaches.

Producers do not survive without the end consumers. The buyers need to want to buy for a product to be successful in a consumer-oriented market. Similarly, the consumers of insights need to want to, and be motivated to, consume in exchange for or despite of impacts to them—to their behaviors, routines, tasks,



or even ownership and pride. We must keep in mind that it is the buyer who determines the value of a product, not the producer or the distributors, and analytically derived insights are no different from any other products.

The hype is anecdotally responsible for at least some of the ineffective spending on data and analytics initiatives, tools, and skill sets that set up for disappointment, while the cost of hiring data scientists grow increasingly out of the reach of many organizations.

The widening gap can push organizations to take shortcuts by acquiring less-than-adequate tools and/or expertise and further compound the problem.

ORGANIZATIONAL CONSIDERATIONS

What is unique about the development of data and analytics consumer culture, however, is that it usually happens in an organizational context—not an attribute of a typical consumer market. Some key organizational considerations are:

Organizational change management. It is important to note that this ultimately involves a change or a transformation in organizational culture, involving shared value, ideologies, and sense of commitment. Changes tend to be more fundamental in the earlier stages of data and analytics maturity; the “consumers” have a “price” to pay, which includes fears and uncertainty from changes in behaviors, in processes, in roles and responsibilities, and/or in structure. This requires “promotion” in marketing terms; however, as pointed out earlier, this is often not very well

defined. Many sophisticated and elegant analytical models and findings go unused, simply because the changes needed to operationalize them are poorly managed. Unfortunately, analytics adoption is often erroneously expected to be achieved through the skills of the analytics professionals; the skills required to implement these *people* changes are outside of the typical skill set of analytics professionals, as this is an organizational matter.

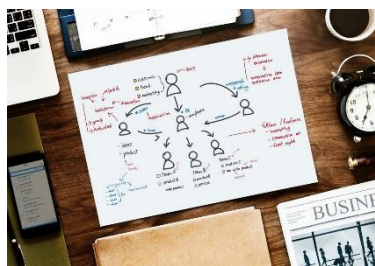
Need for an appropriate organizational design. Since the development of an analytical ecosystem happens in the context of an organization, it must be supported by an appropriate organizational design. The primary distribution channel (i.e. “place”) is the organization as mentioned earlier, and this includes the functional structure, business processes, methodologies, and effective governance, among others, specifically and collectively designed at the enterprise level for data and analytics. The prospective consumers of insights are less likely to be engaged if they do not understand what the organization is trying to accomplish with analytics; to complicate the matter, neither analytics itself nor insights derived from it is tangible on its own. The tools-and-skills-first mentality is difficult to discard, and this only makes analytics and insights harder to sell. The day-to-day business consumers of analytically derived insights need to be engaged with the understanding of a bigger purpose, and the organizational design must encourage such understanding and engagement.

THE DEVELOPMENT OF AN ANALYTICAL ECOSYSTEM MUST BE SUPPORTED BY APPROPRIATE ORGANIZATIONAL DESIGN.

The organization must become ready to leverage the insights produced by the analytical resources. Unfortunately, this does not happen naturally; it requires deliberate and concerted strategies. This is a challenge for the management rather than for the analytical professionals—organizational design and development are not within the natural skill sets of analytical professionals.

TAKEAWAYS

To be successful in deploying data and analytics to improve business requires solving what is really a marketing problem. This means that analytics evangelists at any level must think like marketers. Tailoring this framework to the particularities of data and analytics while incorporating organizational considerations is not straightforward and presents a challenge for the managers. It is important to recognize that the problem is rarely with data and analytics themselves, but with the readiness of the organization to consume analytically derived insights and how well the managers are prepared to develop that readiness.



ABOUT MSIGHT

Backed by nearly two decades of capability building in analytical consulting and delivery, Msight brings extensive experience with major global organizations across industries. We focus in the areas of strategy, business processes, organizational design and effectiveness, and project design and execution for data and analytics.

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