



Insight into Insights

By Laura Patterson

If there was an ‘Insight’ Facebook page, it would have millions of Likes. Why have some marketers latched onto this concept tighter than a terrier with a new toy? This article explains what an insight is, why insights are essential to developing a competitive advantage, and a best practice for finding valuable customer and market insights.

What is an Insight?

Kieron Monahan of Arnold Worldwide offered one of the best definitions for insight that I’ve ever heard: **“a surprising truth that makes you think again.”**

Insights are more than an observation; they are a discovery gleaned from the data and facts we collect. Insights serve a variety of purposes from sparking the innovation of new products to driving the delivery of a better customer experience. The best insights are those that overturn what has come before and enable organizations ‘to battle insanity’. Management consultant, Hunter Hastings, says that insight generation is the establishment of a shared understanding of what drives customer behavior.

Why are Insights Essential?

Two simultaneous phenomena are pushing insights to the forefront. The first is the deluge of data, both in terms of quantity and rate of change. The more data and facts with which we are inundated the more we need a way to separate the wheat from the chaff, that is, to choose the things or people that are of high quality from a group of mixed quality’.

The second is the fierce dynamic customer-driven environment in which we operate. A Marketing Sherpa study revealed that one of the biggest challenges marketers and companies

face today is finding new customer opportunities and converting them to paying customers. This challenge is compounded by the fact that businesses are really the cart behind the horse. According to a Marketing Leadership Council study, sixty percent of 2000 B2B buyers said that they complete their research and vendor evaluations before they want to talk to a sales rep. All of these factors make insights essential. As marketers we recognize the need to do something different from what's been done in the past – despite limited resources. To make effective investment decisions we need more than just a never-ending stream of data and facts, we need insights.

The Insight Discovery Process

The insight discovery process consists of six key steps:

1. Data collection and analytics. Insights are derived from data. Most organizations have more than enough data. The real challenge is to organize it in a meaningful way and then apply the appropriate analytics.
2. Knowledge and analysis: Once the analytics have been performed the output needs to be structured to support the insight generation process. Most marketers seek customer insights that will illuminate market strategies, product innovation/customer value creation, and/or customer acquisition, retention or growth opportunities. Therefore one of the best ways to structure knowledge is around customer preferences, perceptions, attitudes, attributes and behavior. If you don't have the basis for this kind of customer-centric structure this may be the time to invest in methodologies to help you capture this type of information.
3. Insight generation: The next step is to begin revealing the insights. This is best performed with a cross-functional team in a collaborative working environment. The purpose of this session is to dig deeper into the knowledge in order to understand the underlying customer motivations and needs, and the markets not addressed by competitors and/or your organization. From there you can ascertain what if any opportunity this creates for your company.
4. Ideation: An insight is merely the raw material. It's only valuable if it can be converted into an actionable revenue/profit generating idea. In this step the goal is to take an insight and translate it into an innovation customers will buy.
5. Business case: As with any innovation a company needs to assess the rewards and risks, the financial return on the investment, etc. Once the idea is formed, build the business case and evaluate whether to proceed. Has the evaluation proven that the insight will lead to a customer/market worthy innovation that will differentiate your company and provide a competitive advantage?

6. Execution: Last but certainly not least, marshal your resources and mobilize your team to bring the innovation to fruition.

In closing, most every organization can benefit from improving their insight generation process. Taking a disciplined approach to this process:

- Speeds discovery of unfulfilled customer needs
- Sparks innovation,
- Helps bring these innovations to market

This article identifies one approach to illuminating insights and using them to develop a new strategy, direction, or product to drive growth. Whether you use this approach or another, the key point is to develop a repeatable sequence of steps that your company can employ in order to analyze customer and market data and identify opportunities that ultimately enable high-demand differentiated solutions and competitive advantage.

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