



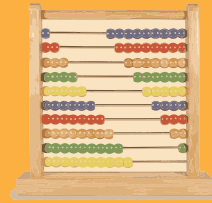
Building an Evidence-Based Marketing Culture

Karen Hand, Strategy & Research, e: karenhand9@gmail.com, t: @karenmhand, m: +353872249064

Mid 1990's, I was in London working as a planner in BBH when my boss - Nick Kendall - called us all in - to show us the work of Andrew Ehrenberg - about double jeopardy. We were all very excited by the findings but we didn't really know what to DO differently20 years on - two great How Brands Grow books later - we can't claim we don't KNOW the evidence...so I wanted to look at some of the psychological and cultural challenges we face in building an evidence-based marketing culture.

First off - when we hear the word 'Evidence' in a marketing context, what REALLY comes to mind?.....

It's not just bean counting...



A cynic is a man who knows
the price of everything
and the value of nothing

Oscar Wilde

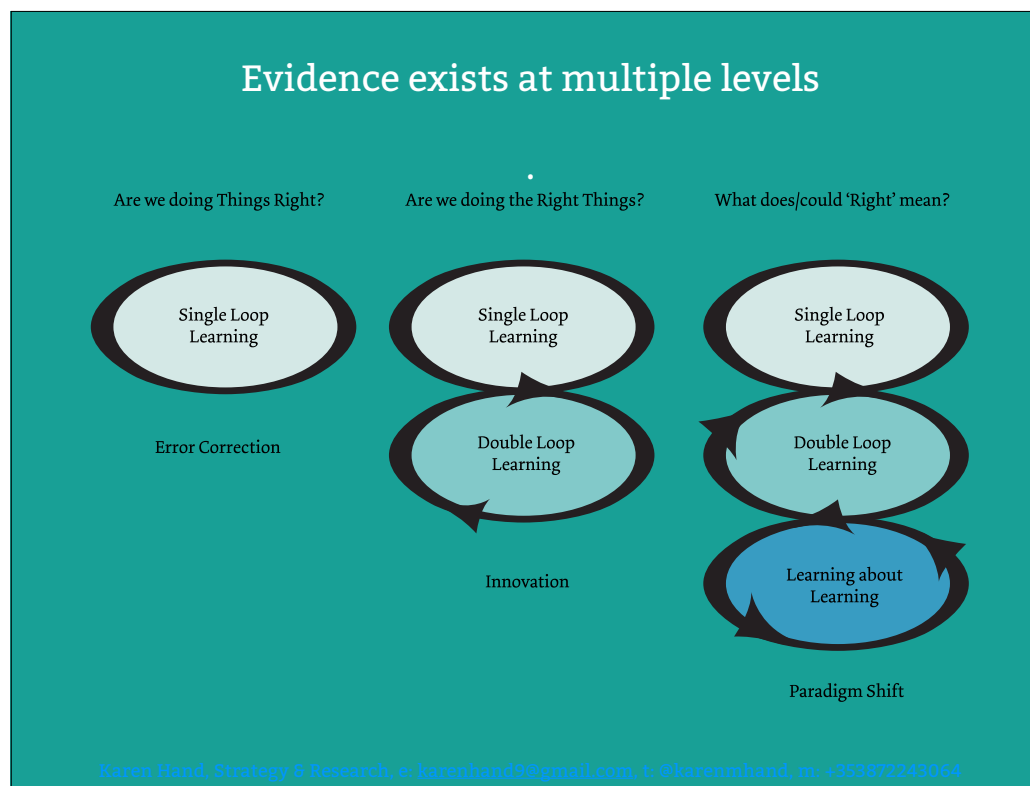
Karen Hand, Strategy & Research, e: karenhand9@gmail.com, t: @karenmhand, m: +353872243064

First off - Lowest common denominator Evidence can seem like bean-counting -...or comes from outside vs. within.. what **other people** 'measure' after we act...

'Romance of leadership' lots for studies of MBA education - where management is an art - and use of evidence is believed to damage creativity and freedom/autonomy - Denise Rousseau - 2006...

There can be a sense that the evidence people are the nay-sayers - the critical voices who suppress the instinct of the flamboyant entrepreneurs...

Actually evidence is way beyond bean -counting - and needs to be understood at a broad systems level....

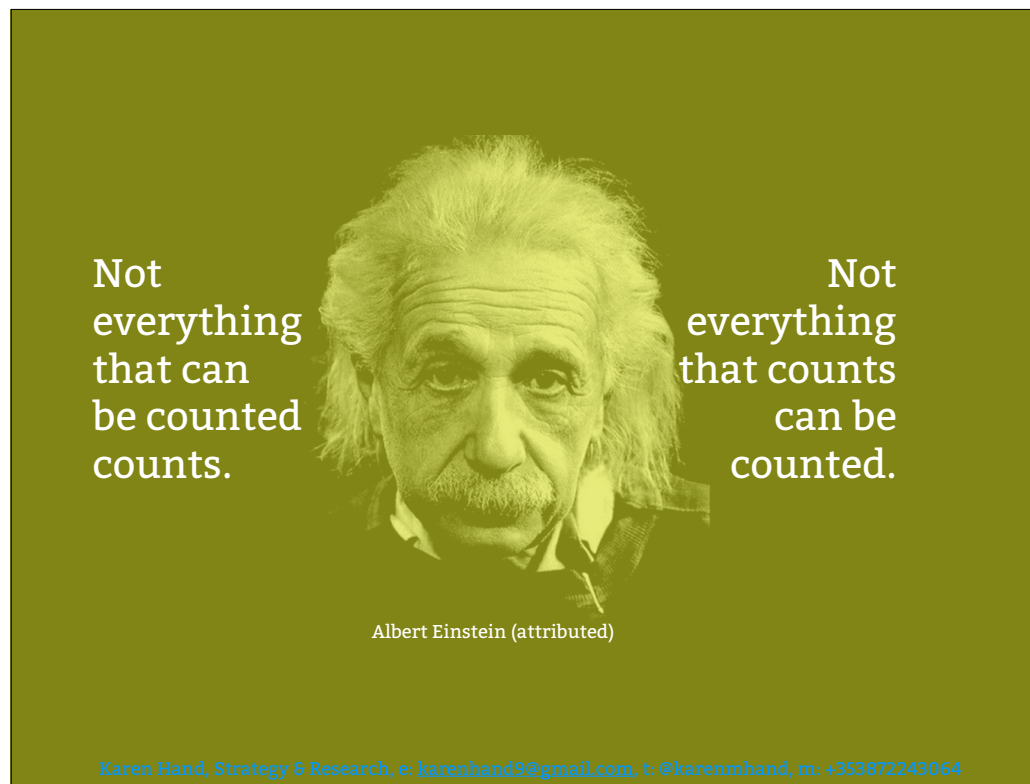


From a systems perspective , bio-feedback data crucial part of survival today & tomorrow...The systems psychologists say we need data for learning - in short term tactical sense - whether we are doing things right /how we could optimise..in personal life - this is the Fit Bit - the data that nudges us to walk up another flight of stairs or get off the couch..but we also need to look outside our own data - are we doing the right things?

Look at companies like VHI and Barry's Tea- who looked at the broader data and tailored their marketing accordingly. Interesting these are companies where marketing **has a strong voice in the business** -great credit for the growth agenda.

In triple loop assumptions: Look at Baileys or Bulmers before that...In both cases realised immediate 'category' - liqueurs or cider was limiting growth - how could they get growth from wider competitive set - open playing ground.. innovations, formats & distribution..

Part of the challenge is getting the balance right - 'what is measured gets done' - which is great on a KPI level but 'level one data' can blind us to level two or level three insight...



And this can make us a slave to narrow data ...whereas as marketing history demonstrates this can be a dangerously restrictive view... Funny when you think about companies like Extravision that are now extinct - what data were they reading and how were they reading it - as Netflix came up on the outside lane...

Marketing myopia - Theodore Levitt (1960)

'People don't want a 3/4 inch drill - they want a 3/4 inch hole' but we continually fall into the trap...2 FMCG companies in last year 'in denial' about trend data - because it doesn't suit their core competence and their investment in factory and machinery...but the market takes no prisoners



So do we need to build an evidence-based culture for marketing. Well let's start with academia...

Review by Armstrong & Schultz (1993) of 9 marketing textbooks

Found 566 normative statements on price, product, place, promotion

Only 20 were actually principles

20 marketing professors reviewed the 20 on whether they were:

Correct

Supported by empirical evidence

Useful &

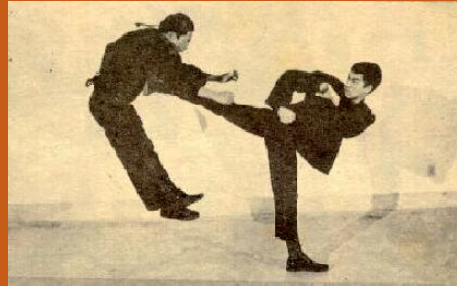
Surprising

None met all criteria

Moving on to practitioners - great thing we have Adfx studies but as Patrick Meade mentioned at another event last week - why do we only have 153 - we have had more campaigns than that in the last 20 years...

Meta-analysis - 153 papers - only a handful even included penetration data - Donegal Catch (2006) by Rachel Haslam and Barry's Tea (2016) by Robert Flavin come to mind - but if they can do it - maybe we all can...

1. Practice



I fear not the man who has practiced
10,000 kicks once,
but I fear the man who has practiced
one kick 10,000 times.

Bruce Lee

Karen Hand, Strategy & Research, e: karenhand9@gmail.com, t: @karenmhand, m: +353872243064

We all talk about System 1 and System 2 thinking - but truly engaging with evidence - requires System 2 - otherwise our story-telling 'System 1' will confirm what we want to be true...

We all know the 10,000 hour rule - but when it comes to Evidence - 10,000 hours sitting in meetings doesn't count .If we are actively using System 2 we will build up our fluency in evidence and how to use it - in neuroscience , if we don't 'use it, we lose it'....

System 2 thinking requires mental energy, perspective taking, willingness to sacrifice sacred cows...this needs our good energy on Wednesday morning not - midnight on Monday ...We're all so busy but what are we achieving?...We need time, space energy to properly SEE the data and make sense of it...Is tiredness really a badge of honour or as Jason Fried wrote recently how we can tell 'Signal versus Noise'

When re-reading both books as preparation for today - I was struck by the amount of times - Byron and Jenni said - 'If you don't believe us - try it for yourselves - see if your data fits these laws about penetration, mental and physical availability - and if they don't - tell us about it and we'll see why that might be....So why don't we try? If we don't have the data- ask our research partners if they do or use TGI as a proxy or put together a crack-team to create proxy data patterns...

2. Commitment

People don't need to know WHY to stop smoking, they need to believe they CAN and make a plan to get there.



Evidence from Behavioural Economics

Karen Hand, Strategy 6 Research, e: karenhand9@gmail.com, t: @karenmhand, m: +353872243064

Behavioural economists and social psychologists have demonstrated that the single most important factor in behaviour change (where its stopping smoking or climate change) is believing it is POSSIBLE. After that - however we need a PLAN to get the culture there..

Kennedy & McColl Article (2012) had a goal and a plan.

In their 2012 article on How to build a culture based on marketing science - they outlined a goal of giving marketing broader credibility and influence in the business growth agenda. They then took three key steps-

1. making a simple argument for how brands build growth - simple, clear and minimum marketing jargon
2. sharing best practice throughout the organisation to get all marketing on one-page.
3. sharing it beyond marketing to other key functions finance, production, technology etc

Change requires efficacy - not just 'I *should*' but I can (health psychology - Bandura)

Social change psychology - to engage in tackling climate change- you have to believe it's possible (Nadine Henley)



We all know the theory here - turns out we need the right hand (creative instinctive, story) side of the brain to balance the analysis, rational brain to really engage in better problem solving. It can be hard to break out of 'path dependence' and assumptions -seeing the woods from the trees.

Sometimes the evidence is the absence of data - Audi built their initial campaign insight on the fact that people used to pause when asked to name their impression of Audi - or as Sherlock Holmes would have said 'The Dog that Didn't Bark'

Sometimes we need to step right back - where is the big play? How did Michelin go from tires to /guides - they looked at where the consumer drove and what they needed? Good Food.

Arithmophobia? Data is just patterns and stories and detective work and conspiracy theories and all the things we love as human -beings



4. Courage

‘Truth is like poetry. And most people f**king hate poetry.’
The Big Short 2016.

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Behavioural economics - Confirmation Bias - we love when the evidence supports our previous decisions /past assumptions - but what happen when it opens the can of worms? Be it a ‘market’ that is going nowhere , a loyal consumer who isn’t, a sector that is close to extinction...Films like Money Ball, Spotlight and The Big Short - demonstrate how much tenacity you need to make others accept the data that forces them to SEE the truth..or a new version of it..

I worked briefly with Two FMCG companies in the last year - who were struggling with the fact that the product they make no longer satisfies the consumer need. Very tricky - when you have factories, expertise and investment behind the first format - but sometimes we all need to take a deep breath and bite the bullet...



...If we have a clear evidence-based framework the whole organisation understands - we can hopefully do less and achieve more for our brands and ourselves..

Of course as Bill mentioned earlier , some of the evidence is itself about the importance of investment in both mental/physical availability..

But here I'm talking about the cultural investment to transform cultures into evidence-based ones...

Might need to organise all the previous knowledge into some meta-system that makes sense of everything - rather than sets different frameworks in opposition - sometimes it is just language - other times - both can be true - a specific focus on a certain need -state can drive overall penetration, especially if its a competitive advantage and there is limited budget...In January 2017 , Marie Oldham convener of IPA awards argued that specific case studies demonstrated that targeting can build brands- aka Byron Sharp is wrong - is this true or is there a deeper truth where both can add value..

A danger that in marketing we can prefer myths of our own making than facts from broader world. The social psychologists call this 'Fundamental Attribution Error' - where people like to trace outcomes to the decisions of one person -marketer as hero vs. marketing...

‘We ARE what we increasingly DO.’



Thank You

Aristotle summed it up perfectly.

In a nutshell, we need to stop **talking** about evidence and marketing science - we need to **build** world class cultures who live and breathe it in its widest sense - all three levels. To do that we will need to practice, commit, make connections, be courageous and invest in a culture based on brand -growth. Many Thanks. I look forward to your thoughts and comments.