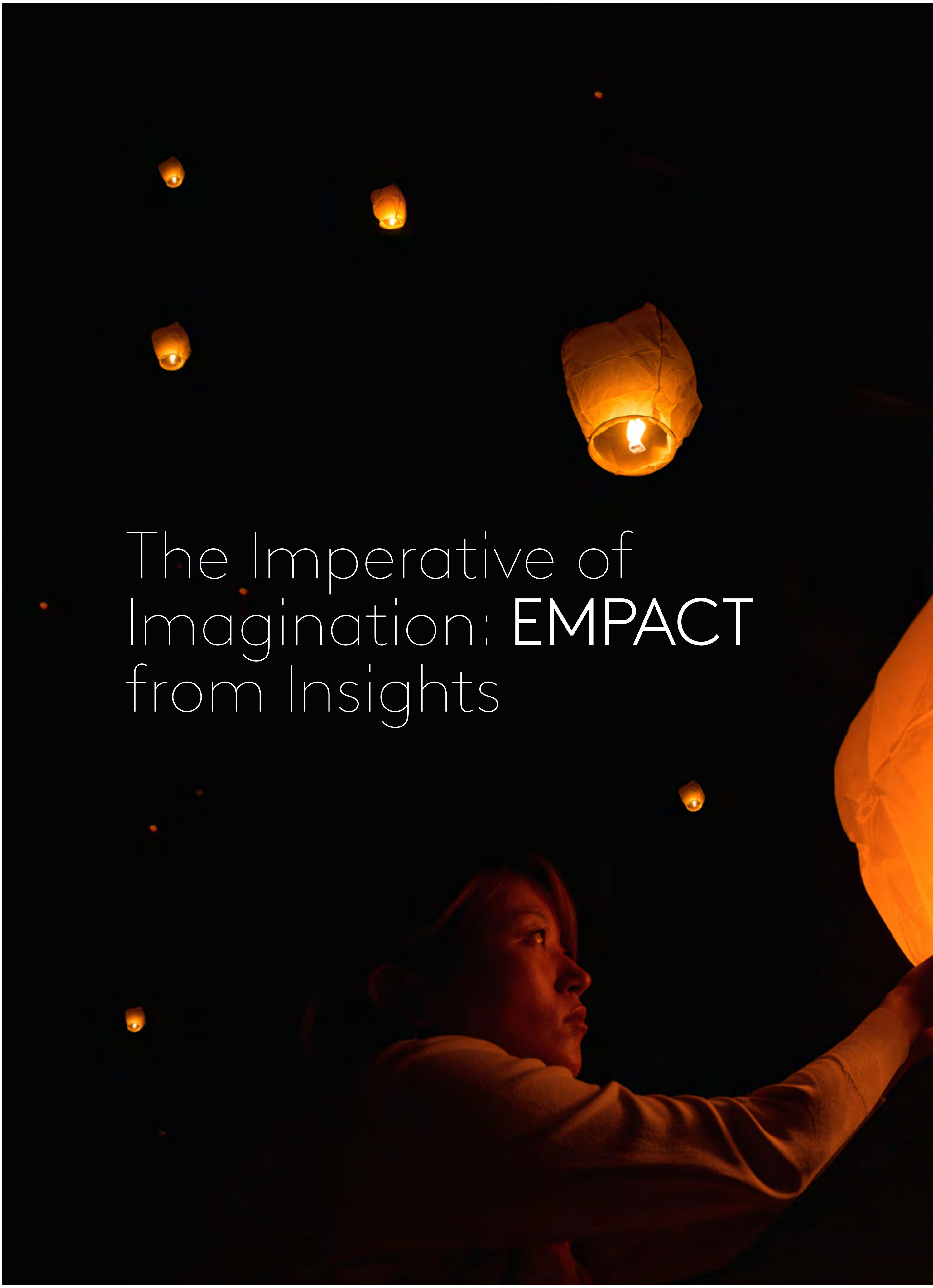
INSIGHTS
2030

The Imperative of Imagination: EMPACT from Insights



The Imperative of Imagination: EMPACT from Insights

This report on Insights 2030 is a collaboration between Kantar and primary sponsor Colgate-Palmolive, along with input and guidance from other advisory board participants: Diageo, GSK, Reckitt, the Saïd Business School at the University of Oxford, Growth In-Sight, and ESOMAR.

IMAGINATION

The imperative of imagination is the future of Insights.

The marketplace ahead will demand more expansive thinking and decision-making. Growth and success will come from more imagination.

Imagination may sound like reaching for the stars, but actually it is a core competency for success. Kantar thought-leadership has demonstrated consistently over the years that imagination is the foundation for growth. Imagination is the overarching takeaway from Insights 2030, Kantar's in-depth investigation of the future of Insights.

But not just Insights. Imagination is critical for the business as a whole. For example, BrandZ analysis of brand value growth from 2014 to 2017 found that disruptive brands significantly outperformed all other brands by completely reimagining brand differentiation. Recent work by other consultancies has caught up with and confirmed these Kantar insights about imagination, such as the new book from BCG (The Imagination Machine, Harvard Business Review Press: 2021, Martin Reeves and Jack Fuller) and a working paper from McKinsey ("The Growth Triple Play: Creativity, Analytics and Purpose," June 21, 2021, Biljana Cvetanovski, Orsi Jojart, Brian Gregg, Eric Hazan and Jesko Perrey).

The mandate for Insights is to spark the power of imagination.

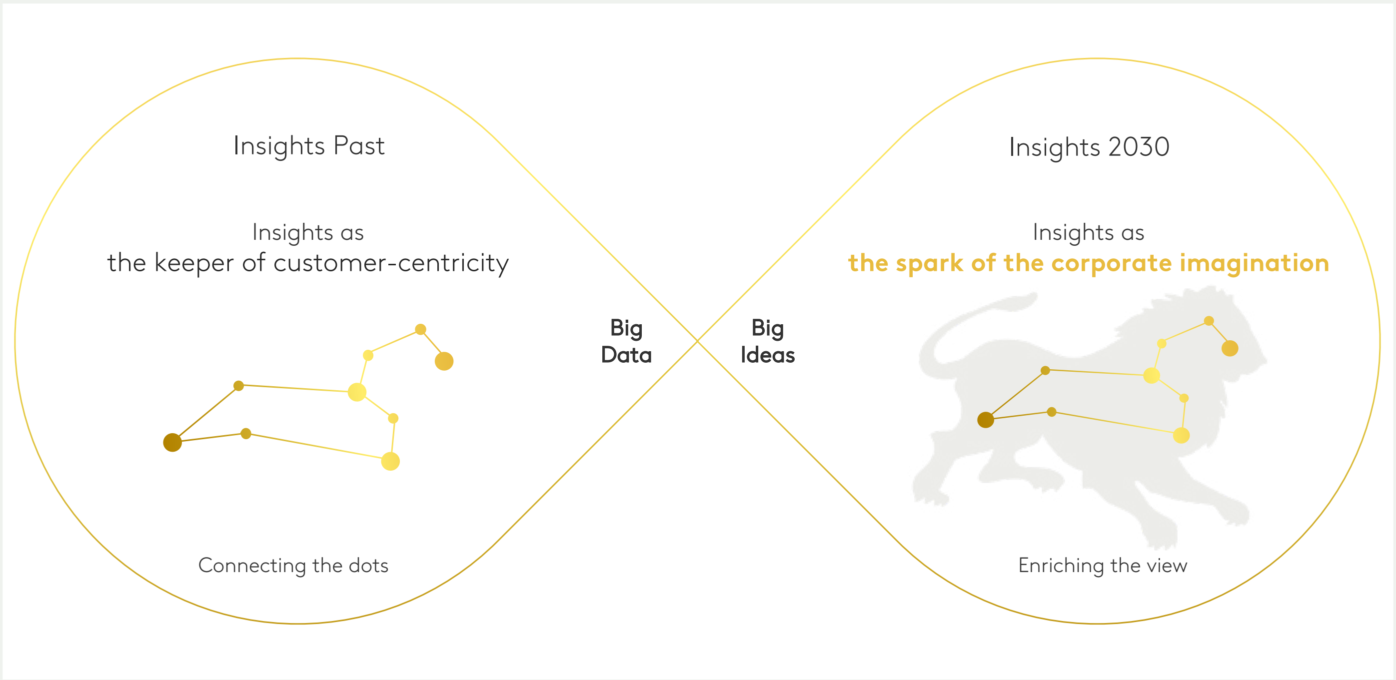
The imperative of imagination was best articulated by the legendary Harvard marketing guru Ted Levitt in a handful of classic essays well-known to every business leader

("The Marketing Imagination" and "Marketing Myopia"). Levitt counseled that the kernel of business success is not making choices but "thinking up the possibilities from which choices are made." Imagination is something business leaders rely on every day when they put themselves in their customers' shoes or when they think anew about the definition of their categories or when they choose one direction over another for innovation, advertising and purpose.

Imagination is not artistic flair or aesthetic virtuosity. Rather, it is a way of working, built from the ground up. It is a set of structures, processes and practices. Business leaders need more of this way of working, and they want their Insights functions to be the spark that will steward it forward, ensure its integrity, and put it into action.

The future will require even more imagination. More volatility and uncertainty are ahead. Disruption will challenge operating and business models. New approaches will be required. So, more than ever, the imperative of success will be imagination. Unless companies can bring imagination to the table, they will be unable to adapt to the more volatile, more uncertain marketplace of the future.

To meet the challenge of imagination, business leaders expect Insights to step up to a leadership role premised on a new way of working, one that is grounded in the structures, processes and practices of a more expansive, more original, more imaginative way of doing business.



INSIGHTS 2030

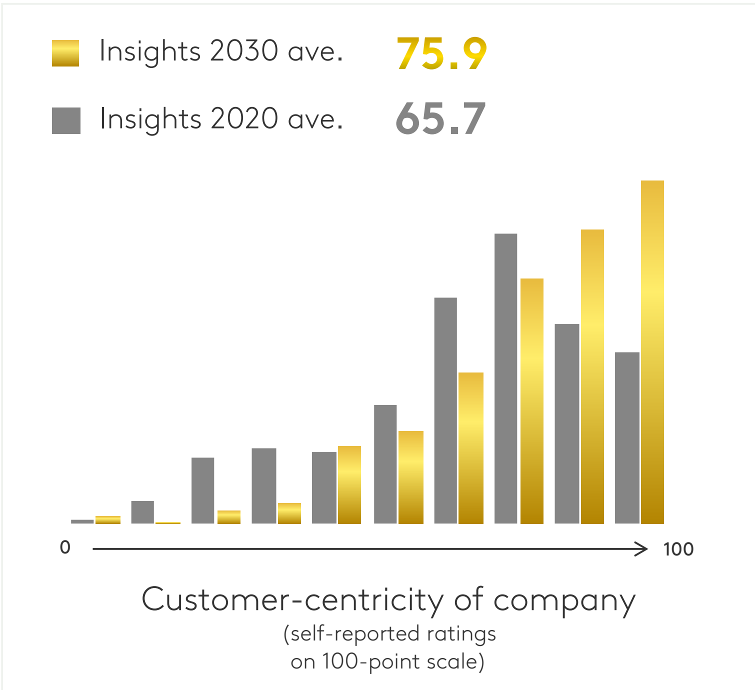
The purpose of Insights 2030 was to identify the critical contribution that senior business leaders want from Insights and the associated playbook for action. The key finding is the imperative of imagination.

Insights 2030 was generously supported by a group of leading organizations on the cutting-edge of the marketplace. Colgate-Palmolive is the lead partner for this work and the chief collaborator in the analysis and takeaways. Other corporate partners include Diageo, GSK and Reckitt. Non-corporate partners were the Saïd Business School at the University of Oxford, the Growth In-Sight consultancy, and ESOMAR, which premiered Insights 2030 at the 2021 global Insights Festival.

Insights 2030 builds upon foundational work that Kantar published in 2015, which played a leading role in recentering the corporate imagination around customer-centricity. This earlier work precipitated a shift in the global business conversation that ignited a fundamental reorientation of companies around customer-centricity. This is evident from Insights 2030, which finds a measurable improvement in the customer-centricity of how companies manage their businesses.

Developments in the marketplace have made it clear, though, that there is more than one way to put the customer at the center. Customer-centricity without imagination is less than optimal.

For Insights 2030, Kantar conducted hundreds of in-depth interviews with business leaders around the world as well as a global survey among 1,700-plus senior business and Insights leaders. These interviews were begun during the pandemic year of 2020 and completed in mid-year 2021. So, Insights 2030 provides a unique perspective on the value of Insights both during and after this major pivot in the marketplace.



EMPACT FROM INSIGHTS

Three themes emerged from Insights 2030—Empathy, Provocation and Activation, or the shorthand acronym EMPACT (for **EM**pathy, **P**rovocation, **ACT**ivation). Each of these three dimensions requires that Insights adopt a more imaginative way of working that can spark and impel senior management towards a more expansive, more original way of apprehending and reacting to the marketplace.

This 'House of Insights' consists of a set of ten critical components that differentiate the structures, processes and practices of Insights functions at leading companies versus those at trailing companies. These are the areas that companies must address. These ten areas mark the transformational journey for Insights functions, one that must be customized to each company and one designed to deliver imagination alongside customer-centricity.

Insights 2030

EMPACT

ENGAGE WITH PARTNERS
Build strong internal relationships with business leaders to influence decisions

DRIVE FOR IMPACT
Go all in for the success of strategies, business objectives and C-suite priorities

EXECUTE IN REAL-TIME
Anticipate and respond to market situations with speed and agility

Activation

FOCUS COMMERCIALLY
Manage and execute with a bias toward business results

EMBRACE DYNAMISM
Lean into risk, experimentation and smart failure

SPEAK OUT
Challenge and provoke and prioritize hypotheses about the future through-out all planning

COMPEL ACTION
Share a futures narrative, not just data, to motivate not simply educate

Provocation

ENRICHED RESOURCES
Bring together the right data, human and commercial, today and tomorrow

COMPOSITE PERSPECTIVE
Fuse all data into a view both all-inclusive and more intimate

HUMAN UNDERSTANDING
Infuse data analysis with creative thinking to reach clear conclusions

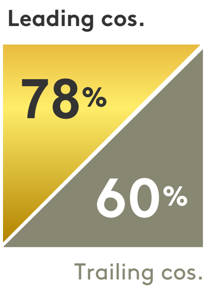
Empathy

Empathy is the foundation

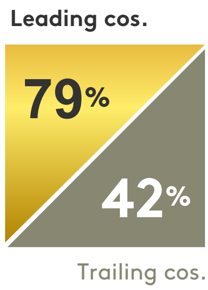
Future success necessitates a deeper understanding of the journey of people's lives, not just more data about the consumer journey to the store. As one business leader put it, "Data are people in disguise." Another said, "Eighty percent of our data is commercial; 20 percent is consumer. We lose sight of the people buying our products on a regular basis." Insights must develop a richer diversity of data, resources and skills about the human experience.

The era of Big Data arrived several years ago with the promise of ever-more information and specificity about consumers in the marketplace. That promise has been fulfilled, but business leaders worry that the person at the center has often been lost in the haystack of data and information—lots of data about commercial behaviors but no more, and perhaps even less, about the human experience. With disruption added to the mix, senior leaders fret that big ideas are needed to get the full value from more data. Thus, the premium on empathy.

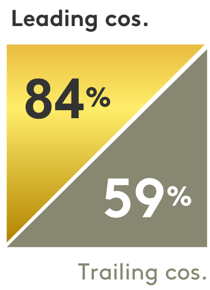
Insights at my company does well at basing everything on a clear understanding of consumer needs



My company does well at linking different data sources to distill insights.



Insights at my company does well at under-standing the human side of consumers.



% Leading Companies   % Trailing Companies

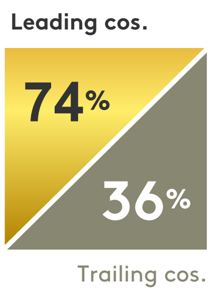
Provocation is the way to make a difference

Upon the foundation of empathy rises a more assertive view of the marketplace. Insights must embrace provocation. One of the most frequent complaints expressed by senior business leaders in Insights 2030 was that Insights teams only know the data not what is best for the business. In the words of one, "Insights is traditionally quite comfortable stating 'research says' or 'data show.' This passes the responsibility to others. There is a need to express an opinion beyond what the research says—giving conclusions, implications and recommendations."

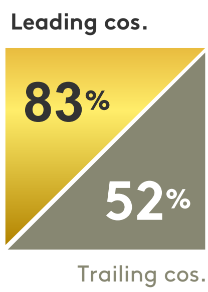
A critical part of provocation is looking ahead with foresight or looking beyond marketplace realities toward marketplace possibilities. Senior business leaders are unequivocal that Insights leaders must be full-throated participants in the business. Several said they got the most value when Insights dropped the scales from their eyes with a view of the future that completely redirected the business. This sort of lightbulb moment should be the metric of success for Insights.

Insights at my company does well at taking business impact fully into account when making recommendations.

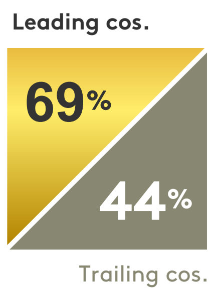
Insights at my company does well at embracing risk and experimentation.



Insights at my company does well at having a strong point-of-view about business decisions.



Insights at my company does well at being skilled at futures thinking.



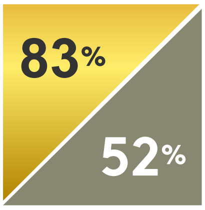
% Leading Companies   % Trailing Companies

Activation is the element that brings it all together

Much has been made in recent years about Insights functions telling credible and compelling stories about consumers. But in the Insights 2030 interviews, business leaders were clear that they wanted stories tied to activation. Insights must do more than advise on strategy. Insights must be involved in activation as well. Insights must carry data into action.

Insights at my company does well at having the confidence of senior management.

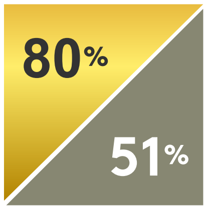
Leading cos.



Trailing cos.

Insights at my company does well at developing strategies.

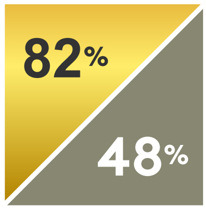
Leading cos.



Trailing cos.

Insights at my company does well at proactively helping in making the right decisions.

Leading cos.



Trailing cos.

% Leading Companies % Trailing Companies

Content analysis of the Insights 2030 depth interviews found that the most frequent topics brought up by Insights leaders were about skill sets and lines of reporting. Marketing leaders, on the other hand, talked most about Insights having an impact on business strategy. In other words, Insights leaders are focused first on Insights and only then on the business. The seat at the table coveted by Insights leaders will come naturally when Insights is better aligned with the priorities of senior management.

Rank order of top 3 topic areas from Insights 2030 Vision Interviews

	Insights	Marketing
Skill sets required	#1	#3
Where Insights/Analytics sits	#2	#2
Insights for decisions/strategy	#3	#1

Average ratings of company culture
(11-point scale from +5 to -5)

	Leading Cos.	Trailing Cos.	Insights	C-suite
Family-like > Everyone for self	2.88	1.63	1.61	2.83
Continuous conflict > Conflict avoidance	1.36	-0.43	-0.55	1.19
Rules & regulations > Agreements never lived up to	2.55	1.61	1.45	2.34
Mutual rivalry > Caretaker attitude	1.59	-0.09	-0.24	1.24
Consensus > Formal & impersonal	2.24	1.13	1.29	1.82
Too theoretical > Vision & reflection	2.21	0.70	0.36	1.99
Embracing risk > Risk avoidance	2.48	-0.08	-0.38	2.39

In order to get truly aligned and focused on the business, there is something endemic to Insights organizations that needs to be called out and affirmatively addressed. When asked to rate different aspects of corporate culture, the perspective of Insights professionals is much less positive than the perspective of management, and actually mirrors the ratings at trailing companies. No wonder Insights is focused first on itself. Insights sees problems where management sees opportunities. Not only does this draw the attention of Insights away from the business, it almost guarantees conflicts and difficulty in having an impact. Insights must focus more on upside possibilities and less on downside challenges.

DELIVERING IMAGINATION

Empathy, provocation and activation define the more expansive, imaginative way of thinking and acting that business leaders want Insights to spark within their companies. Management wants imagination from Insights.

The analysis of the quantitative survey for Insights 2030 operationalized imagination as a set of specific structures, processes and practices. A similar model was developed for customer-centricity. These solutions define a framework for Insights organizations to use in benchmarking position, progress and improvements.

Customer-centricity is the foundation of success. It is the bedrock. Companies must embed customer-centricity along with imagination. Customer-centricity is a consumer-first focus in every aspect of operations and strategy. Organizationally, it means making customer data central to everything.

Imagination is the spark the gets the most from customer-centricity. It is the way to approach a consumer-first focus—not simply a dedicated focus on the consumer, but a future-oriented focus that brings the human experience to decision-making and campaigns. Organizationally, it means making the human story central to everything.

Customer-centricity

The foundation of the business

Empathy

- **Understanding customer needs**
- **Ensuring voice of customer**
- Internal sources important
- Social listening important

Possibilities

- **Good at connecting the dots**
- Drives company purpose
- Insights leaders: communicator
- Good at creative solutions

EQ

- **Proactively helping in making right decisions**
- Working closely with external partners
- Good at actionability of data
- Insights leaders: business acumen
- Insights leaders: make fundamental changes
- Taking risks to capture big opportunities
- Insights at center of decision-making
- Using AI and machine-learning tools

DFA:
Top quarter accuracy = 57%
Empathy α = .71
Possibilities α = .67
EQ α = .79

Imagination

The spark of the business

Empathy

- **Understanding customer needs**
- **Ensuring voice of customer**
- Understanding human side
- Insights leaders close to customer
- Insights leaders managing diversity
- Qualitative research important

Provocation

- **Good at connecting the dots**
- Skilled at futures thinking
- Embracing risk & experimentation
- Future scenarios important
- Emerging info sources important
- Trends tracking important

Activation

- **Proactively helping decision-making**
- Insights leaders: listening
- Insights leaders: emotional intelligence
- Developing strategies
- Having confidence of senior mgmt.
- Strong point-of-view

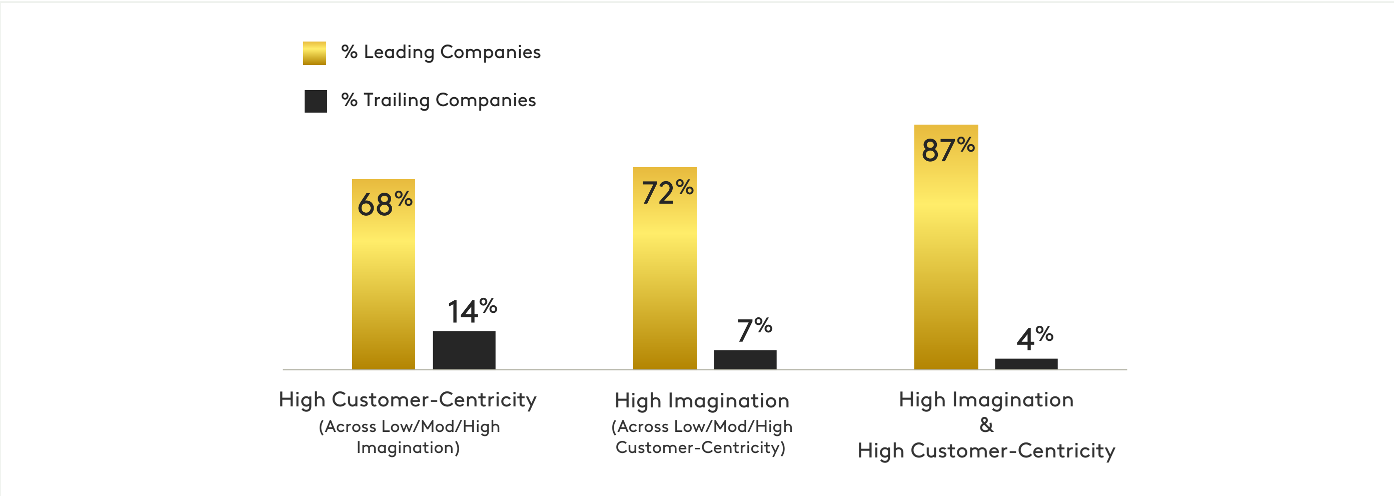
FA:
Empathy α = .767
Possibilities α = .802
EQ α = .791
r = .503 (with customer-centricity)

The impact delivered by imagination is substantial. The constructs of customer-centricity and imagination provide a profile of companies in terms of their focus on customer-centricity and imagination. Some companies put all of their focus on customer-centricity. Others put top priority on imagination. A smaller number are committed to a high level of both. By comparing these companies, the value of imagination becomes clear.

Among companies with a primary emphasis on customer-centricity, 68 percent over-performed relative to competition. This is strong, but imagination is more powerful. Among companies with a primary emphasis on imagination, 72 percent over-performed. Stronger still were companies high on both customer-centricity and imagination, with 87 percent over-performing. Imagination is a multiplier—the 19-percentage point jump from 68 percent to 87 percent is a multiplier difference of 28 percent.

Insights 2030 also found that an emphasis on imagination greatly reduces the risk of failure. Companies with a strong focus on both had a much lower likelihood of under-performing the marketplace.

There is plenty of room for improvement. Only 14 percent of respondents in Insights 2030 reported that their companies were high on both customer-centricity and imagination. For the typical company, current success does not mean there is nowhere to go. Every company and every Insights function can make measurable improvements in ways of working and thus in marketplace performance.



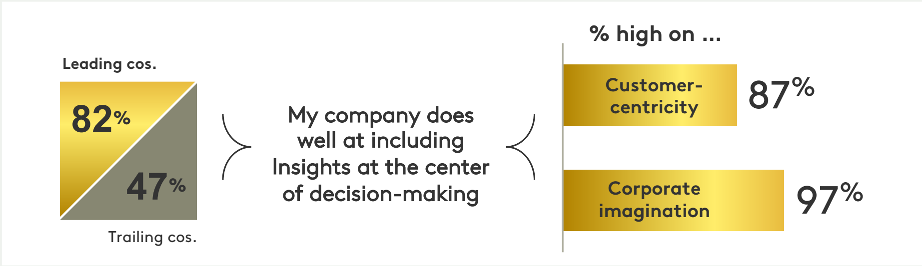
BUILDING FOR THE FUTURE

The marketplace has entered an era in which disruptions are the new normal, which is to say that disruptions will be a feature of the marketplace not the exception. The period from the mid-1980s to 2007 was a relatively stable period that economists now refer to as the Great Moderation. Most of the standard ways of doing business were invented and perfected during a past that saw greater stability than will be true in the future. Since the financial crisis, volatility and uncertainty have increased dramatically. The coronavirus pandemic has ushered in the realization that the events of this century, both good and bad, are the harbingers of a future of disruptions.

Disruptions will be systemic things like climate, cybersecurity breaches and geopolitical turmoil. But they also include commercial discontinuities such as Big Data, e-commerce and AI, as well as next-generation discontinuities like hybrid work, blockchain, mobile commerce, GenZ, supply chain interruptions, continuing cheap capital, clean energy, biomedical advances and space exploration.

Business leaders turn to Insights during times of disruption. There was a several-month-long stretch during the pandemic year of 2020 when business leaders lost the narrative of the marketplace guiding their decision-making. More than ever, they looked to Insights leaders for guidance—"a lighthouse" in the words of one business leader; "mission control" in the words of another. The top two things that business leaders said they needed to know coming out of the pandemic were all about a deeper understanding of the new consumer, which means even more imagination. This is the support and guidance expected from Insights. Disruptions put Insights front and center.

Putting Insights at the center is the secret sauce of success. Insights 2030 found that companies with Insights at the center significantly out-performed competition and almost universally operated with customer-centricity and imagination at the heart of their businesses.



Disruption sounds ominous, but in business circles, disruption is always viewed as an opportunity. For example, in 1992, Jean-Marie Dru, then chairman of BDDP, later merged with TBWA, took out full-page ads worldwide to champion the idea of "creative disruption," or progress by breaking conventions. Harvard professor Clay Christensen followed soon thereafter with his 1997 bestseller, The Innovator's Dilemma (Harvard Business Review Press: 1997), that pioneered the idea of "disruptive innovation." Most recently, in 2019, then-CEO of P&G, David Taylor, introduced the concept of "constructive disruption" that puts purpose, values and principles at the heart of business strategy. For business leaders, disruption always presents itself as opportunity, and with it comes a driving need for imagination.

To build imagination from empathy, provocation and activation there are a few critical takeaways relevant to all Insights organizations across all types of companies and categories.

- Insights must **put the human experience at the center**, more so than customers per se. Too often, a greater focus on the customer has meant more details about what shoppers do in the marketplace than what people want from their lifestyles. The challenge of disruption puts even more importance on learning the why behind the buy.

- Insights must **look ahead with a refreshed mission and a forward-looking market narrative**. It might entail an updated functional mission. This will necessitate a greater diversity of data, skills and expertise. Business leaders recognize this. One of the gaps found by Insights 2030 concerns leadership skills for Insights leaders. Business leaders place more value than Insights leaders on non-research skills that can make a difference in the business not just in research.

- To fully embrace provocation, Insights functions must **deliver lightbulb moments by telling a business story** rather than just a consumer story. Insights must keep customers at the heart of everything they do, but they must deliver this perspective in a way that is more focused on the business.

- A big part of focusing more on the business is to **adopt a new hiring profile with more emphasis on management or even consulting skills** and less emphasis on research skills per se. Business leaders expect Insights leaders to work more like senior management than like senior researchers.

Biggest differences in essential Insights leadership competencies versus C-suite

	Insights	C-suite
Marketing experience	59%	73%
Sector experience	59%	72%
Creativity	69%	80%
Global mindset	63%	72%

- All of this leads to getting things done, which market-leading companies are **institutionalizing with formal activation teams** and with greater use of tools and resources to free up Insights people to think and act more imaginatively. In years past, the call has been for Insights to be more involved in creating company strategy. This is no less important, but the call now is for Insights to be more involved in implementing company strategy.

- Leading companies **use the power of AI and automation along with the availability of high-quality outsourcing partners** to refocus Insights on strategies and activation. This facilitates more time thinking about the business by freeing up time spent managing the underlying research.

- Management presumes that Insights functions have unfettered access to the tools and data needed to deliver an imaginative way of working and thinking. By contrast, Insights teams do not feel they have that level of freedom and empowerment. Insights must **be more assertive in leveraging this implicit permission by making it a rule to ask for forgiveness not permission**. Insights should not wait to be asked but should, instead, step up and make itself heard.

Contrast of perceptions of Insights having 'complete access and control' of data

	Insights	C-suite
Consumer data	72%	77%
Competitive intelligence	50%	68%
Financial data	38%	78%
Big Data	33%	67%
e-Commerce data	30%	71%
Precision marketing data	28%	70%
R&D data	22%	64%

CONCLUSION

The future of Insights is a stronger nucleus of customer-centricity that is supercharged and animated anew by the structures, processes and practices of empathy, provocation and activation. In this manner, Insights can reenergize the ways in which corporate leaders apprehend and envision the marketplace. This is the imperative of imagination.

For more information, case studies and opportunities for your company:

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