

The future of insights and marketing effectiveness

WFA peer research: a client perspective

In partnership with:

System1

March 2022



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About this research

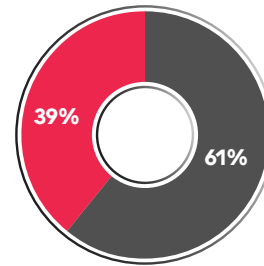
This peer research was designed to understand how client-side marketers and researchers see the insights function: the role they see it playing today, the directions into which they wish the function would evolve and how it might increasingly help drive more effective marketing for their organisation.

The study is based on a survey of WFA members conducted in 2021. The survey questions were co-developed between WFA and System1. This report has also been co-authored by WFA and System1.

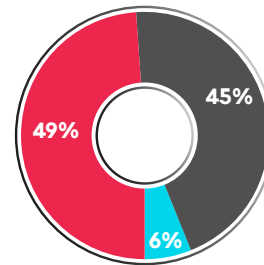
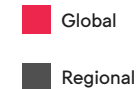
A total of 113 senior marketing and insights leaders (or equivalent) from 82 of the worlds' leading global advertisers completed the survey. Respondents from multiple industry sectors took part, with a balanced split between insights and marketing leaders in our sample, as well as a good representation of global and regional leadership roles.

Within this document, we make comparisons to our first 'Future of Insights' project¹ from 2016.

In that study we spoke to over 300 insights leaders and senior marketers, representing 94 multinationals, across all major markets and categories, to get their views on the role, contribution, and future of this function. Whilst the samples differed, the base remained client-side only and, where comparisons have been made, the questions were identical.



Remit



Function/department



Executive summary

The most significant and commendable changes over recent years see a far greater alignment and focus on how insights are helping marketing drive brand growth:

- 1 Turning consumer understanding and market data into actionable insight and advice to inform marketing strategy and drive brand growth
- 2 Providing data, insight, and ideas to help navigate the Covid crisis
- 3 Doing both with significantly less resource (which may need redressing)

There was also significant agreement between senior marketers and insights leaders on how insights could make an even greater contribution, to help marketing drive brand growth:

- 1 Continued improvement on turning consumer understanding and market data, into actionable insight and advice to inform marketing strategy and drive brand growth
- 2 Greater mastery of marketing/ behavioural science/ digital marketing and the smart application of predicting/improving the key drivers of effectiveness and brand growth
- 3 Closer links with marketing and increased influencing skills

The Future of Insights lies in making progress in each of these three areas. This report is a starting point for roundtable discussion, ideas and action plans for how to achieve this.

EVOLVING THE INSIGHT FUNCTION

Understanding the perception gap

In our exercise, we referred to 5 typologies from a Mastercard internal study², based on the macro-micro view of the business and the reactivity towards the stakeholders. **The typologies we will be referring throughout the report are:**

Types of insight functions



Librarian

Data **collector and distributor**.
Accurate and fast. Little or no extra perspective given.
Highly organised.
Behind the scenes.

Highly reactive, highly micro



Judge

Objective and fair. Focused on pass/fail. Hurdle builder. Focused on single business question.
Official **rubber stamper**.
Element of power and respect.

Reactive and micro



Caddy

Knows most CMK and business tools pretty well. **Trusted advisor and educator**. Reacts to questions asked. Builds on others' ideas. Pushes their recommendation

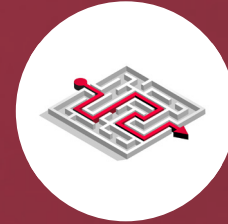
Reactive and macro



Explorer

Asks: "what have we not thought about yet? Innovator. Comes up with new ideas. Champions them and follows them through. Off looking for new business or CMK opportunities.

Highly proactive and macro



Strategic Consultant

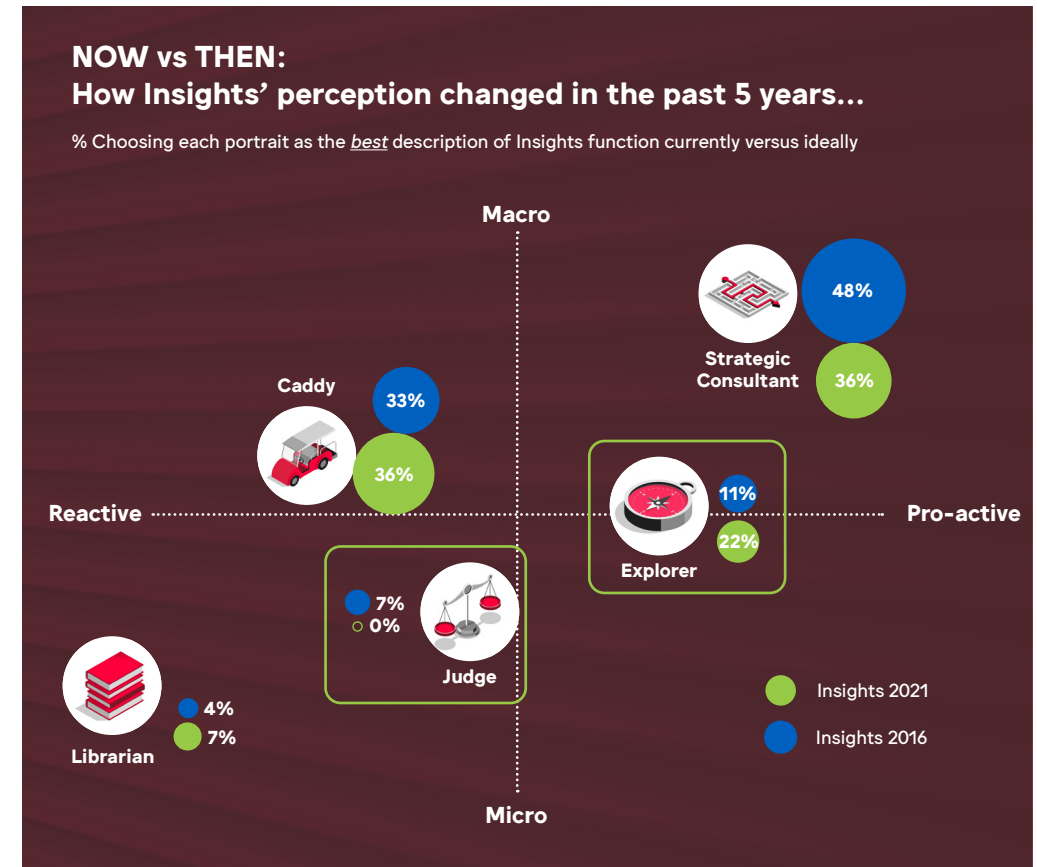
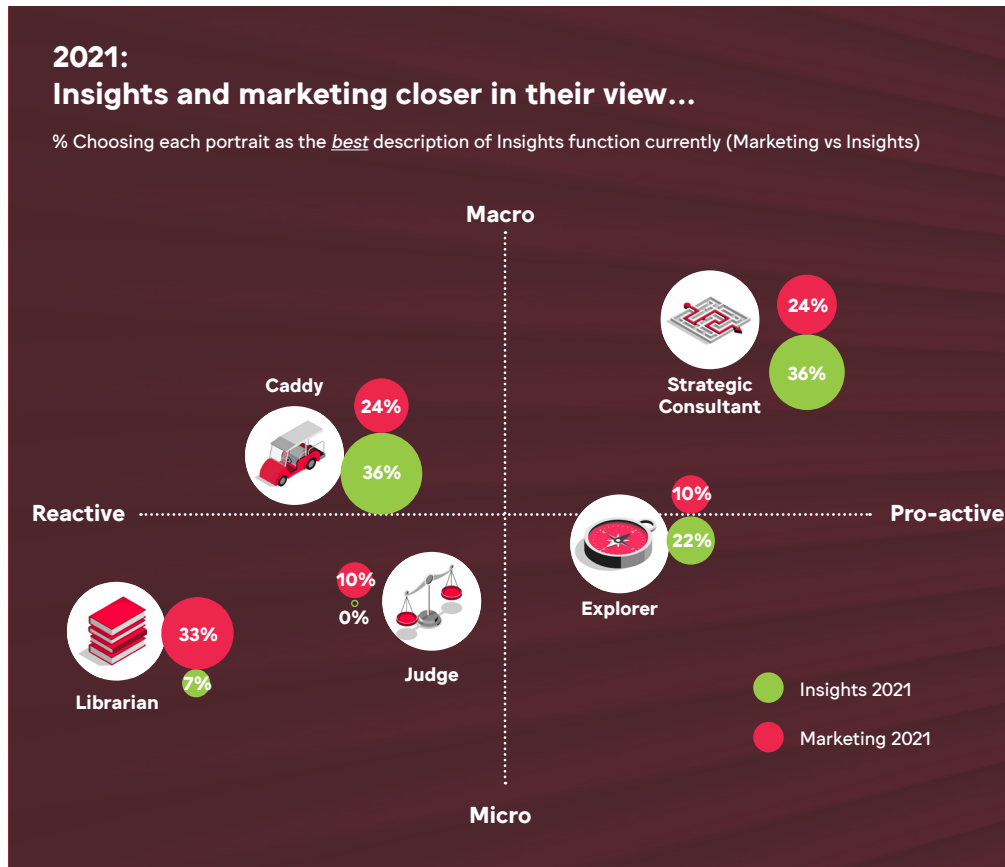
Asks: "are we asking the right questions?" Doesn't just go with the project flow. Proposes and pushes new ideas or routes for the team to follow. Takes broader business into consideration

Proactive and highly macro

Understanding the perception gap

When compared with the previous exercise in 2016, there is still a gap in perceptions between insights and their marketing stakeholders. Marketers tend to perceive the insights function as being more reactive and with a more micro view of the business. Closer in profile to that of our 'Librarian' and 'Judge' typologies.

These findings are broadly in line with the perception marketers had about their insights colleagues 6 years ago. While marketers' perception about the insight function in their organisation didn't shift significantly since 2016, insights leaders now see themselves more as 'Explorers' and less 'Judges'.



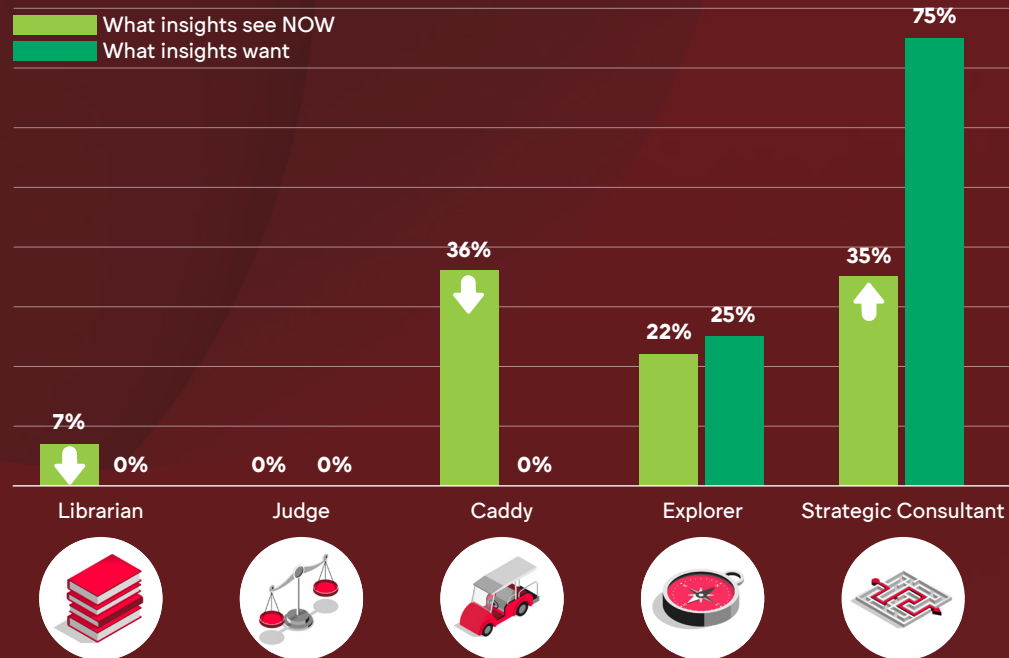
Becoming a strategic consultant

When it comes to how insights leaders see their function now (in reality) and in the future (ideally), there remains an appetite to evolve towards a 'Strategic Consultant' role. To become an in-house player proposing and pushing new ideas and approaches with a macro perspective in mind.

A negligible proportion of insights leaders see themselves as 'Librarians' or 'Judges' today and show no desire to be associated with these roles as their function evolves. Marketers voice their desire also to be supported by insights colleagues in a more proactive and macro fashion, as 'Explorers' or 'Strategic Consultants'.

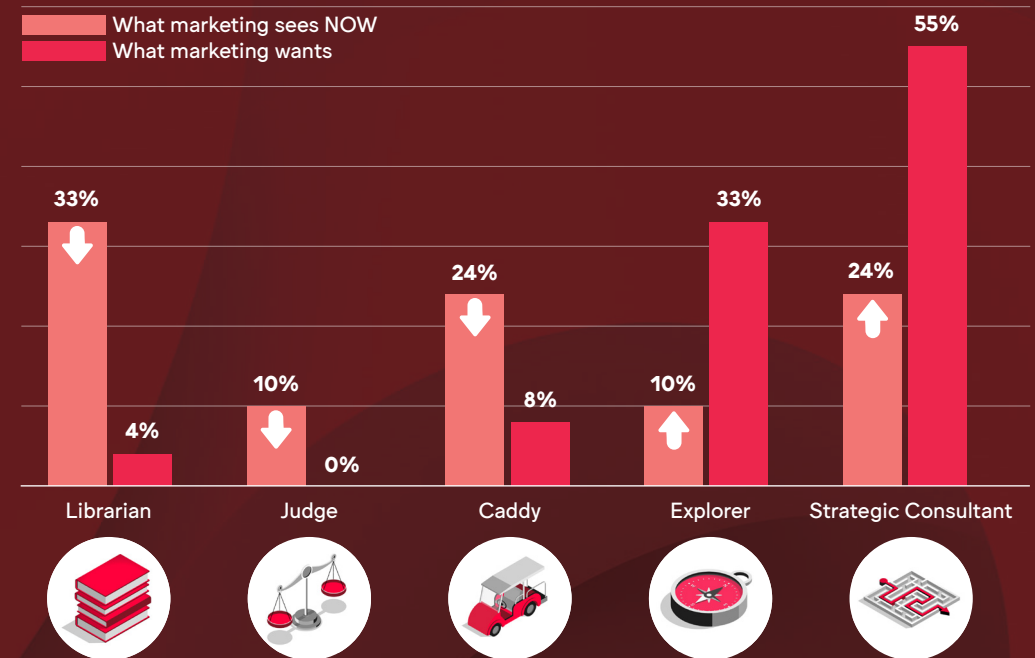
Insights want to become 'strategic consultants'

↓ ↑ They want less/more of...



And marketers agree

↓ ↑ They want less/more of...



Acknowledging Insights' strengths

There is good news, however. Six years on from our first 'Future of insights' peer research, there is far greater alignment between senior marketers and Insights' leaders on the outside-in, intelligence/ data driven, exploration and strategic role of insights in driving brand growth. There is also greater alignment on how insights are helping marketing drive brand growth:

- 1 Turning consumer understanding and market data into actionable insight and advice to inform marketing strategy and drive brand growth
- 2 Providing data, insight, and ideas to help navigate the Covid pandemic
- 3 Doing both with significantly less resources (which may need redressing)

What your Insights function does best

Working in Insight (n=55)



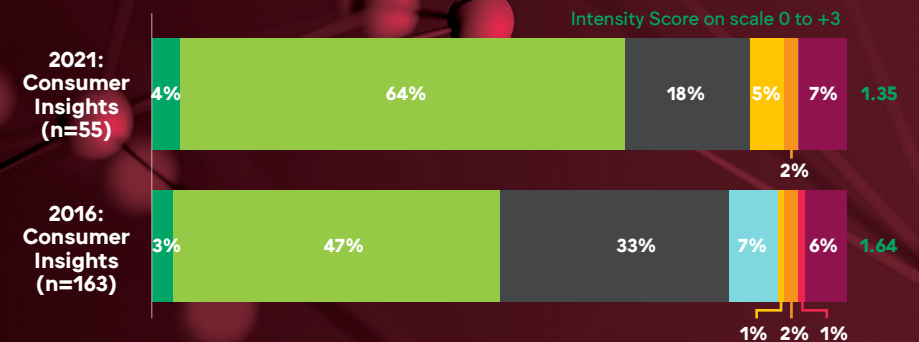
Working in Marketing (n=51)



So, whilst the desired direction of travel has not changed greatly, insights leaders feel much more positive now than 6 years ago about their function.

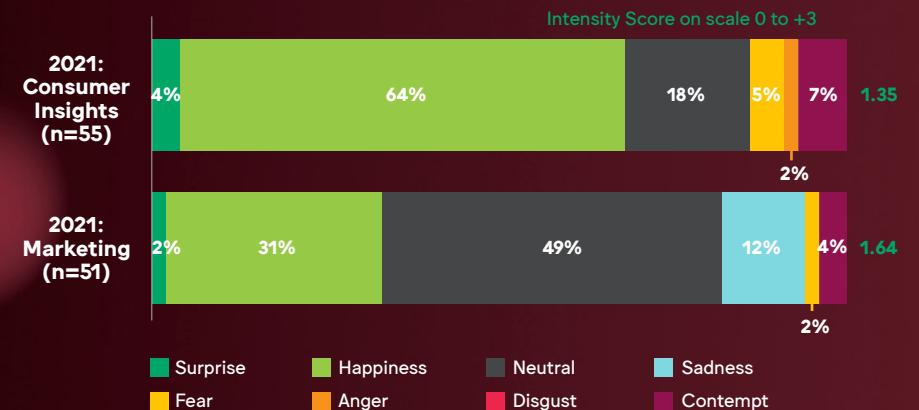
How do you feel about the Insights function in your company?

Using FaceTrace we ask how people felt about the Insights function at their company



...while their marketing peers are yet a bit more reserved.

2021: Insights vs Marketing feelings about Insights function



Acknowledging Insights' strengths

The combination of greater alignment on the role of insights and agreement on what the function does best, may be behind the marked improvement in how insights' leaders feel about their function. And a more obvious sense of insights' purpose and contribution from using the power of data and understanding to unlock insights and opportunities to drive the business.

2021: What is it about Insights that made you feel...

Working in Consumer Insights

Happiness 64%

"Incredible opportunity to learn about real people and drive business/action"

"Consumer data far more important now, working on strategies based on research"

"Sense of purpose, meaning and impact on business and shifting culture"

"I'm part of it! Also, we have been helping navigate the current crisis"

"Enjoy making a difference, greater purpose, we're held in high regard"



Surprise 4%

"Inputs for key decisions, yes or no going ahead"

"Reinventing the area. Input for decisions, with almost no budget"



Working in Marketing

31% Happiness

"Power of data unlocking new insights is exciting"

"We bring the outside-in and looked to as experts"

"Consumer data more important now, working on strategies based on research"

"Sense of purpose, meaning impact on business and shifting culture"

"Incredible opportunity to learn about real people and drive business action"

2% Surprise

"There is information that I didn't think we could get"

"Analyse our strengths and weaknesses to formulate our strategies. Provoke new thinking, thought partnership and leadership"

WFA Member

"Insights help us to understand the human behind decisions, being the voice of the consumer within. Their work is helping us to develop good communication and reporting what's going on in the business, to build strategic thinking behind brands based on consumer knowledge and foresight"

WFA Member

FaceTrace® detailed emotional feedback. Methodology based on work of Paul Ekman - using faces to measure emotion

Enhancing Insights' contribution to brand growth

As we saw in the first part of this report, insights have made progress in the last six years. Perhaps another indication of this was the significant agreement between senior marketers and insights leaders on the areas for improvement:

- ➔ **There is significant potential to contribute to business decisions with more actionable insights integrated to the business, but also to the purpose and culture more broadly**
- ➔ **Deeper analysis and more innovative methodologies**
- ➔ **The opportunity of data to unlock new insights, of a vision on revamping strategic insights in a digital/data world**
- ➔ **Limited resources usually reflect in the quantity and quality of inputs for the rest of the business**
- ➔ **Upskilling and capability building of internal teams**
- ➔ **A better planning of internal structure and resources, to avoid bottlenecks**
- ➔ **A stronger collaboration with external partners, with a focus on enhancing the quality of received deliverables**

What your Insights function could improve

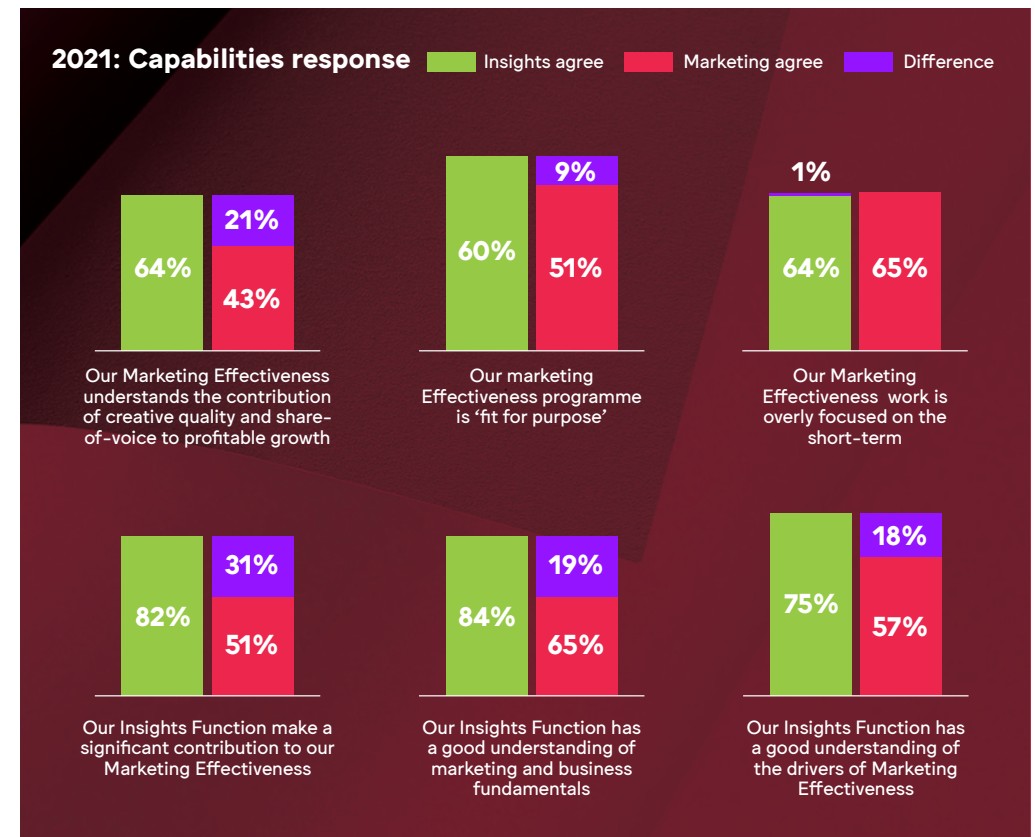
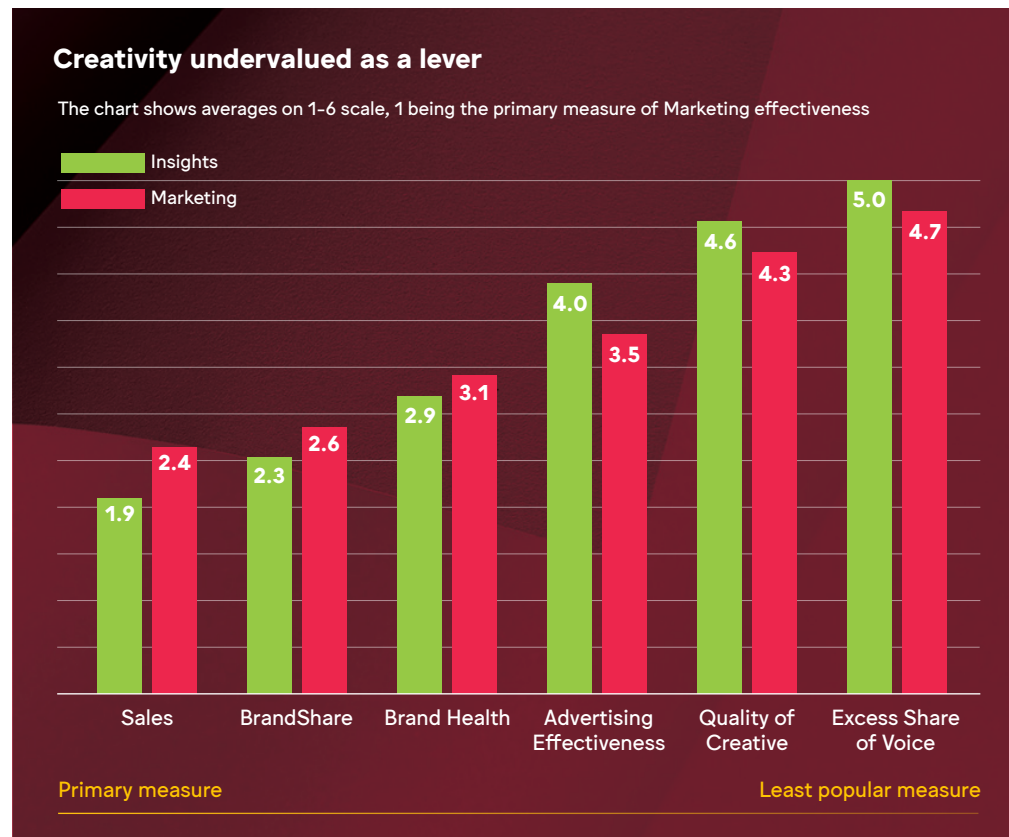
Working in Insight (n=55)	Working in Marketing (n=51)
Strategic and connected thinking	Strategic and connected thinking
Digital intelligence	Proactively providing customer segment and competitor insight
Driving growth strategy at highest levels	Digital intelligence
Better links into other teams	Data and analytics
Commercial understanding	Better links into other teams
Influencing	Driving business agenda
Driving business agenda	Proactively providing external outlook
Deep learning	Commercial understanding
Be more impactful	Data synthesis
Uncover insight for inventions	Providing more personal data



Enhancing Insights' contribution to brand growth

The study uncovered clues into how to further improve insights' contribution to brand growth, in the differences between marketing and insights' perspective of the primary measures driving marketing effectiveness. For example, marketers put more emphasis on the quality of creative, excess share of voice and advertising effectiveness.

In addition, there were other issues around marketing effectiveness: the understanding of what drives it, how it is measured, and how to improve it. These linked to the qualities within the desired typologies mentioned earlier, for example around more strategic thinking. But also, with an emphasis on effectiveness and driving the business forward, as we will explore more in the next chapter.



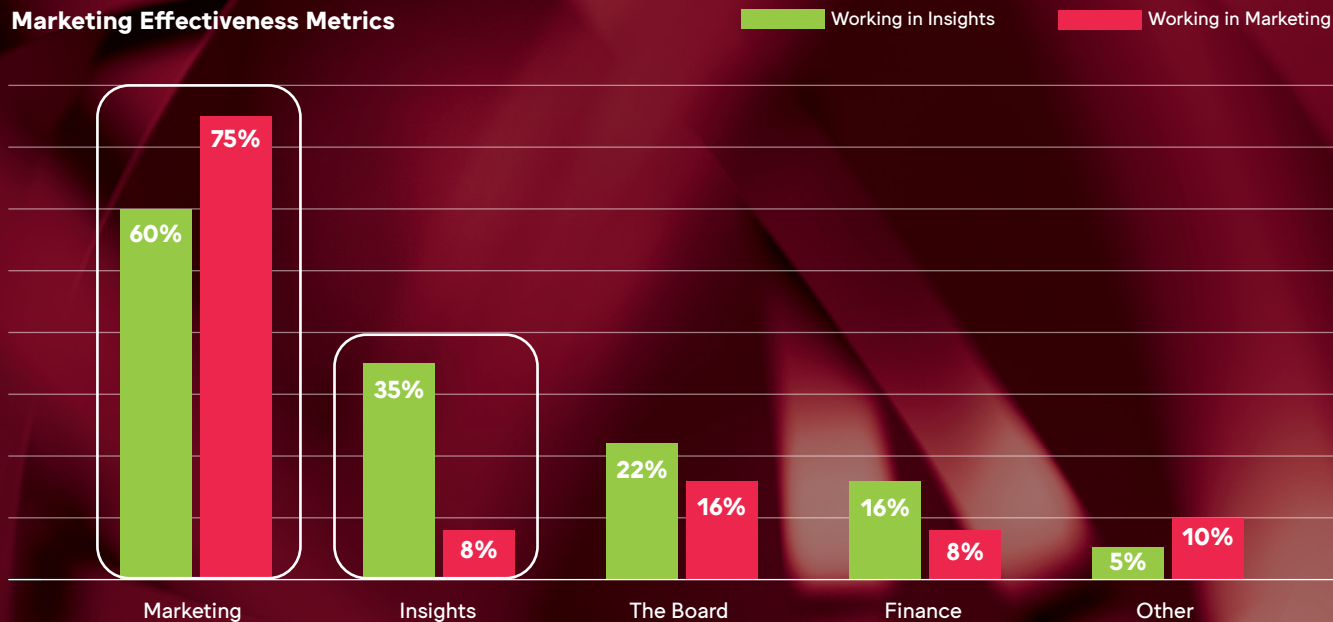
Insights and marketing effectiveness

Marketing effectiveness has been the top priority for WFA members since its inception in 1953. This latest research explored the metrics our members are using for measuring effectiveness, how these metrics are being set within the organisation and the perceived opportunities for the insights function to support and enhance marketing effectiveness.

There is agreement between senior marketers and insights leaders on who sets the company's marketing effectiveness metrics, how they are measured and how performance is improved. However, we see insights leaders feel they are more engaged in setting marketing effectiveness metrics than their stakeholders claim.

2021: Broad alignment on who sets the company's effectiveness metrics

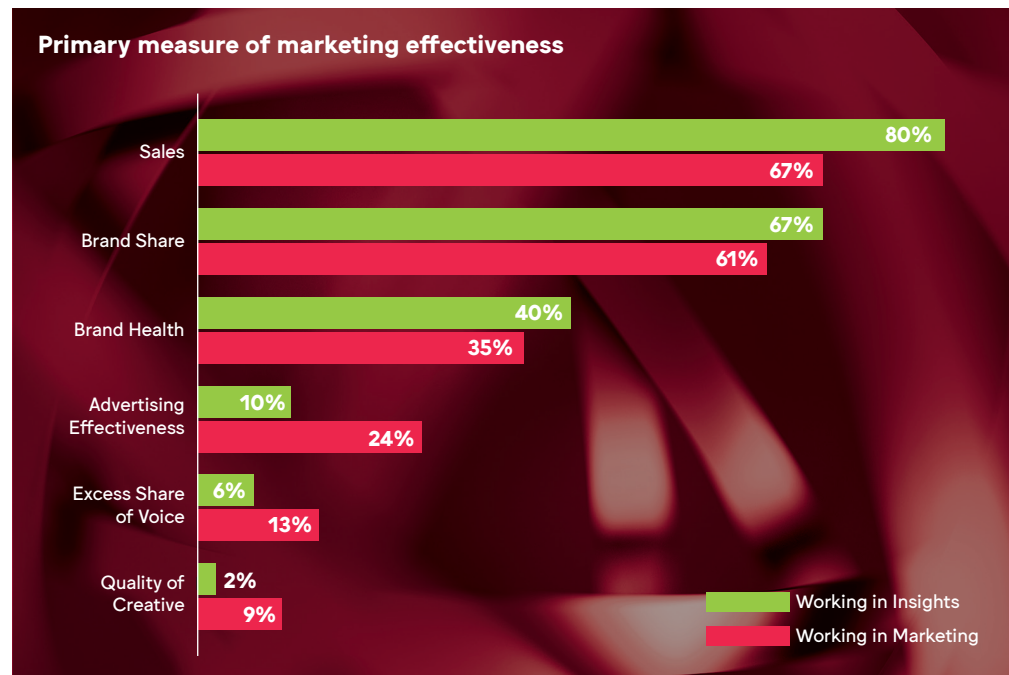
Marketing Effectiveness Metrics



In a previous WFA research³ about global marketing effectiveness, we've seen among the interviewed companies a similar tendency of marketing to set the effectiveness KPIs and metrics, and insights to be involved in less than one third of the cases.

Measurement metrics and models

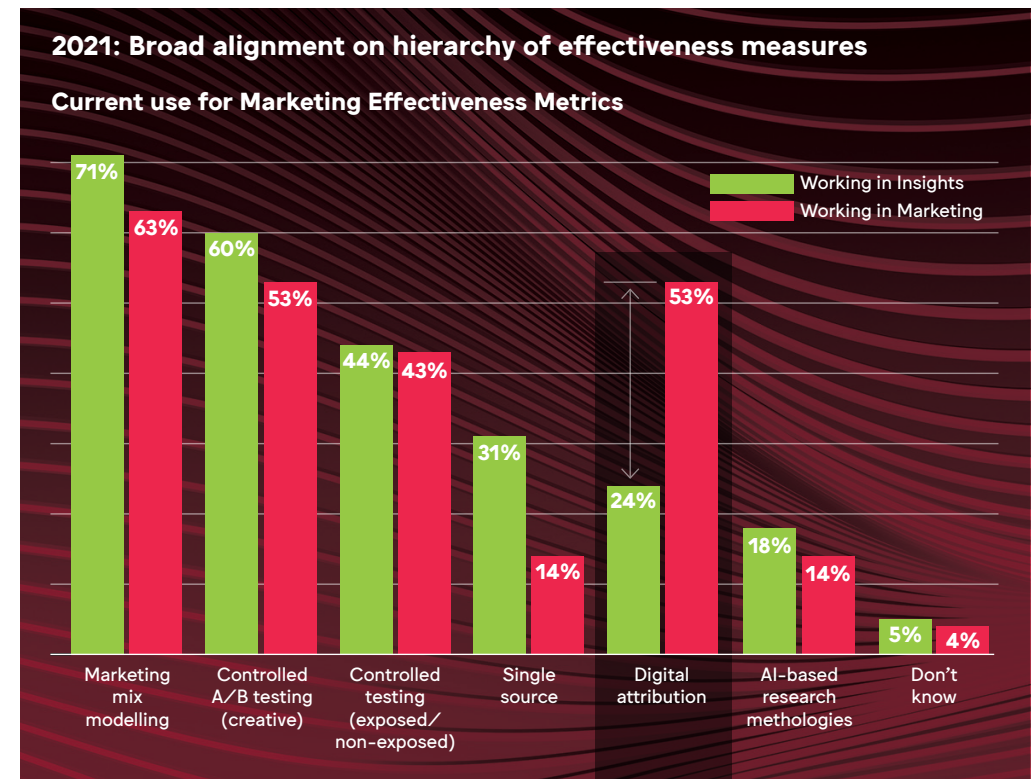
Again, in alignment, most respondents indicate a focus on **sales and brand share as primary marketing effectiveness measures**. Excess share of voice or quality of creative are comparatively undervalued as levers for effectiveness.



When looking at global versus regional responses, we saw the same overall ranking in terms of measures for capturing marketing effectiveness. However, we also noticed a higher tendency coming from regional roles to rely on sales, while their counterparts in global roles seem to be paying slightly more importance to advertising effectiveness and quality of creative.

When we shift our focus to measurement solutions, there is broad agreement on the hierarchy of approaches between marketers and insights: MMM and A/B testing lead the way. Controlled testing is also cited by over 40% of each stakeholder group.

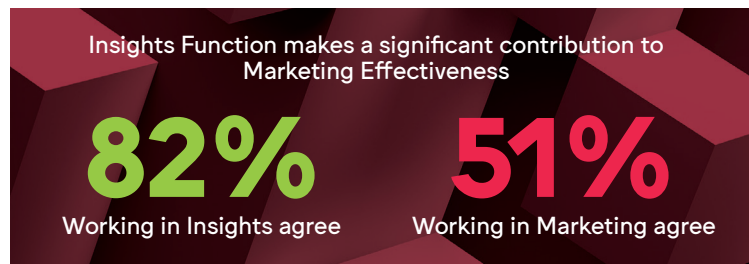
We note a gap between marketing and insights roles in recognising **digital attribution** as an approach, with marketers putting far more emphasis on it. The appeal of digital attribution is clear, however it risks inflating digital ROIs and, when used in isolation, it will serve to generate more short-termism.



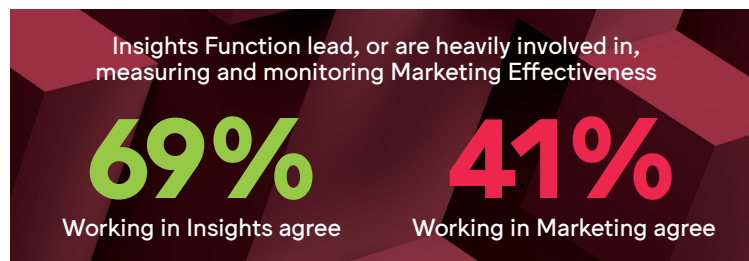
The ranking we measured was in line with other trends we noticed among WFA members. For example, a discussion during Insight Forum meeting⁴ in London in December 2019 indicated the same ranking of the approaches our members use for their marketing effectiveness.

The state of roles and contributions

When asked about the insight function's involvement in, and understanding of, marketing effectiveness, the most significant gap related to the **insight function's contribution to marketing effectiveness**. Whilst most insights leaders say they make a significant contribution, only half of our marketing respondents agreed.

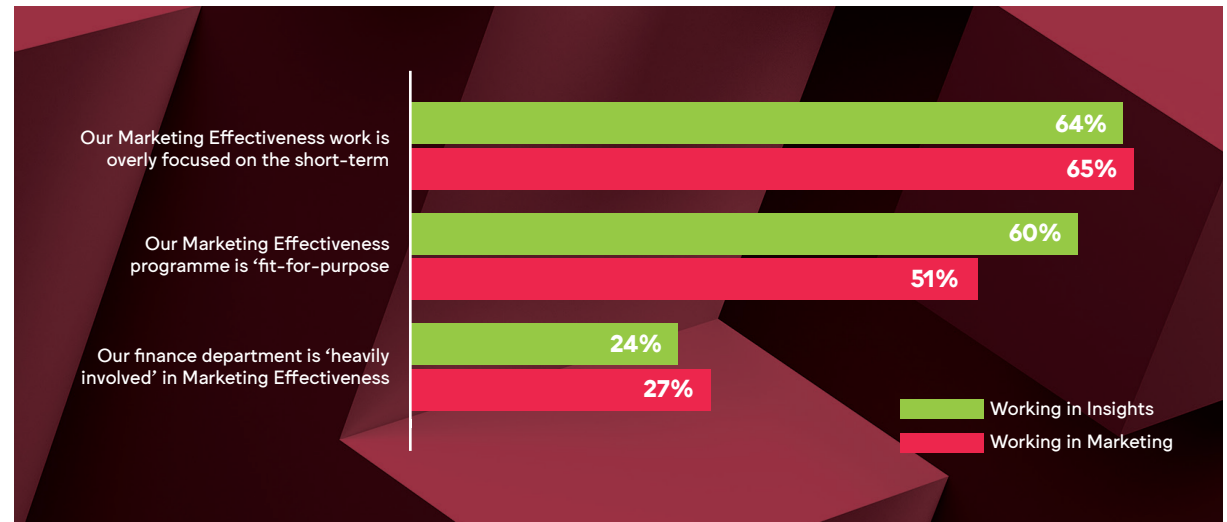


Whilst only 51% of marketers see insights as making a significant contribution, the onus here is on marketing to let their insights colleagues help them to improve in this area. The additional insight and rigour of these colleagues should be welcomed by marketing.



Conversely, there is consensus between marketing (65%) and insights (64%) in the belief that marketing effectiveness work is overly focused on the short-term. This may well be linked to the fact that only 1 in 4 of our respondents agree that Finance department is 'heavily involved' in marketing effectiveness.

Whilst both groups felt their marketing effectiveness programmes were 'fit for purpose', the fact that 49% of marketers did NOT agree with this shows an alarming gap as well as opportunity for improvement.



That 75% of our marketers claim they set marketing effectiveness metrics (and we know this has been the case for many years⁵), suggests the marketing function is itself a barrier to effectiveness programmes' efficacy.

This presents an opportunity. The aim should be for marketers to decrease the emphasis on setting their own homework whilst increasing accountability and oversight from an 'independent' function. In this way marketing effectiveness work should become more aligned with wider business goals and therefore, increasingly respected by other parts of the business.

As seen above, there is shared belief amongst insights (64%) and marketers (65%) that effectiveness programmes are 'overly focused focus on the short-term'. In 2019, when we asked our members a similar question⁵, the majority (80%) said they were overly focused on the short-term.

It may be wishful thinking to suggest this problem is diminishing, however it is certainly higher on marketers' agendas than it was three years ago.

The state of roles and contributions

In 2019 68% our respondents did not feel their marketing effectiveness programme was 'fit for purpose'. This figure has remained flat and implies little progress.

Insights want to become 'Strategic Consultants'



We noticed a higher agreement that 'Insights function makes a significant contribution to marketing effectiveness' among those who already perceive their insights rather as 'Strategic consultants' (91%). At the same time, the ones who don't agree with the insights' contribution to marketing effectiveness, they tend to perceive the CMI function rather as having a 'Caddy' role.

Despite the differences in perception between the two functions, the majority of marketing respondents (65%) agree that their insights peers have a good understanding of marketing and business fundamentals. Interestingly, we noticed a higher perception among regional roles than global ones.

Where it is commonly accepted that marketing effectiveness approaches need to be more grounded in business realities, it would seem insights is well placed to drive the marketing effectiveness agenda resulting in a closer (and more effective) collaboration between the two functions.

In conclusion

The Future of Insights study demonstrates there has been progress amongst insights leaders since our last study⁶. However, it also identified the gaps which persist between marketing and their insights colleagues.

From an insights function perspective, there is a need to further progress towards the explorer and strategic consultant typologies.

Surely one of the ways in which to do this would be to increase their emphasis on driving the marketing effectiveness agenda. Not only will this 'keep marketing honest', but it will also help to drive the business forward in many areas, including towards more sustainable growth.

This study helps to underline some of the opportunities for progress. This report is a starting point for discussion and ideas for how to achieve this – amongst marketers and their insights colleagues.

“Especially in these times, the power of insight comes from being able to integrate data, technology and domain understanding to tell the story and influence business decisions for the greater good of the world and human lives, and yes, the business. It’s a great time to be In Insights. But insights professionals should have more pride in our function. It does not help that we as quickly shift from market research to insights to analytics and insights as quickly as the tide ebbs and flows. Whatever we are called, our north star is to drive growth for marketers and the business - maybe we line up more with Chief Growth Officers - but don’t take that as [a suggestion that] we need to change our name!”

WFA member

⁶WFA members can access “The Future of Insights” project from 2016 here:
<https://wfanet.org/knowledge/item/2016/03/07/The-future-of-insights-project>



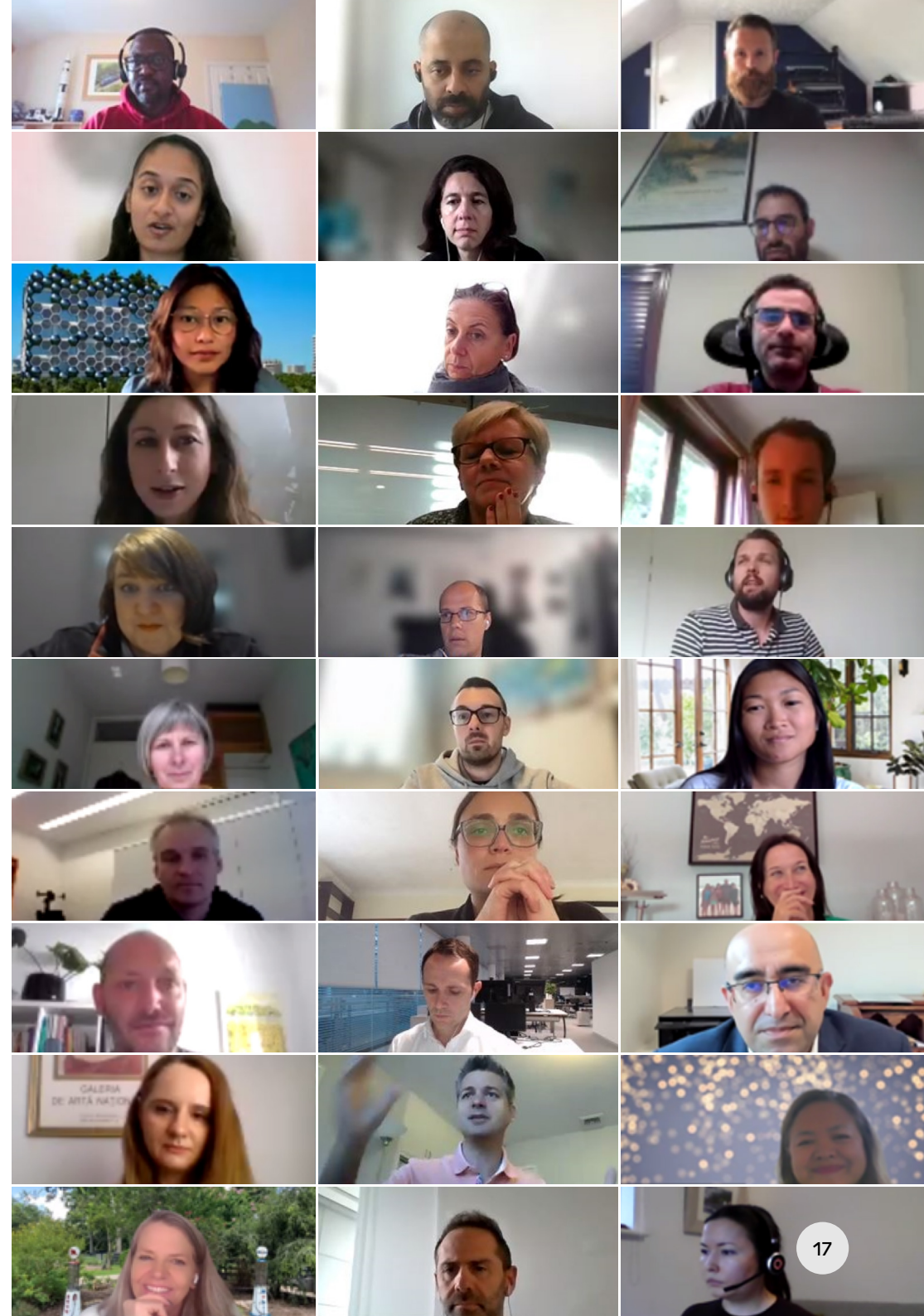
WFA Insight Forum

WFA Insight Forum is a unique group of global client-side insights and analytics senior leaders exploring how to evolve their functions towards playing an increasingly central role in their company's transformation. From a marketing stakeholder viewpoint, this often focuses on delivering actionable insights to inform unifying marketing strategies.

Value is delivered through regular peer-to-peer meetings, critical research and benchmarks, networking and 1:1 connections.

The community is available to WFA members. If you want to find out more or to get involved, please get in touch with Ioana Danila (i.danila@wfanet.org).

For more information, please check:
www.wfanet.org/insights



About WFA

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – roughly US\$900 billion per annum – through a unique, global network of the world's biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide.

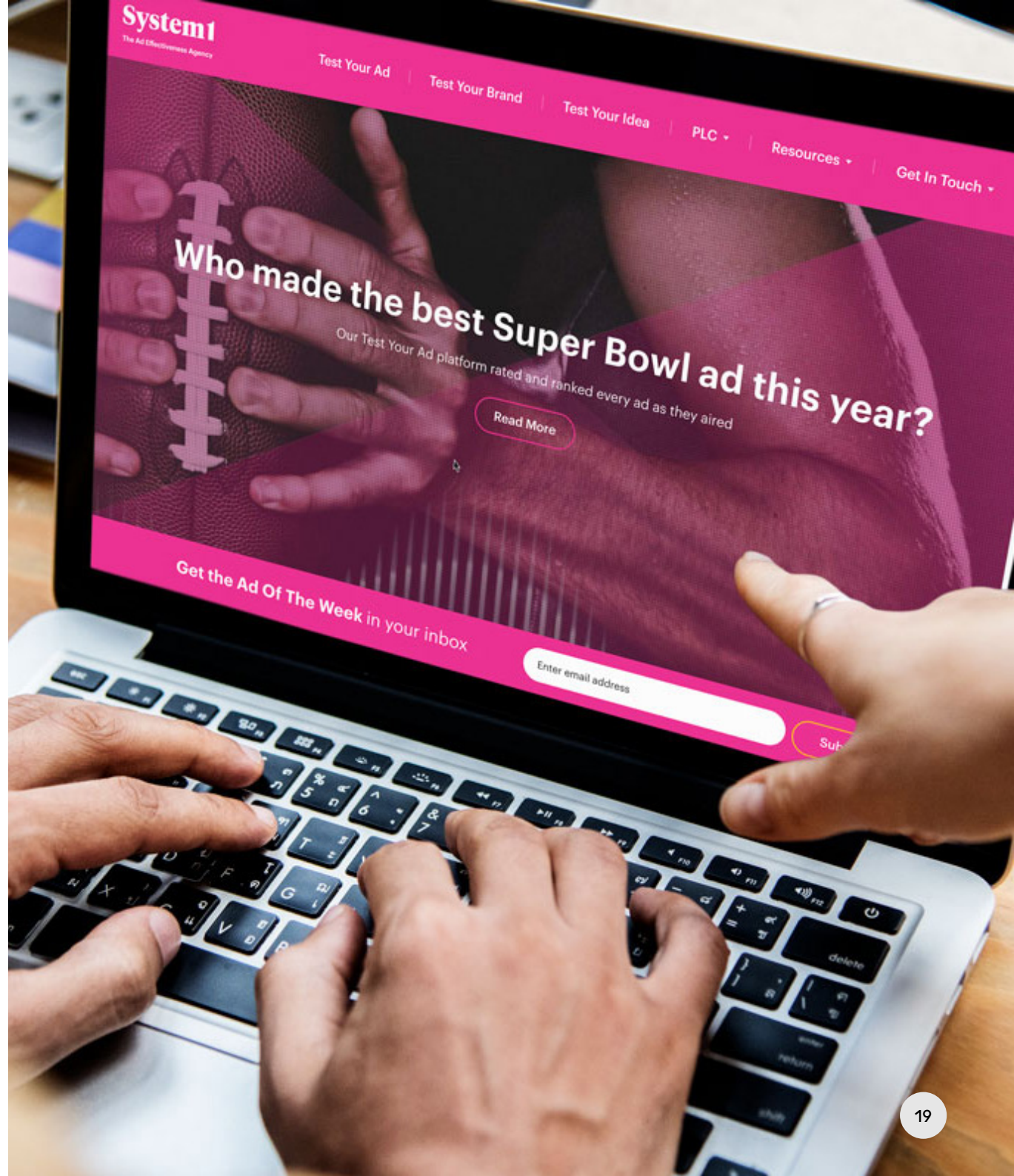


About System1

System1 Group PLC is a marketing and brand consultancy, with proprietary market research and advertising solutions grounded in the principles of behavioural science. Since 1999, we have been translating breakthroughs in psychology, behavioural economics and the social sciences into online research and advertising techniques that better understand and predict human behaviour.

The Company specialises in helping clients with their communication and innovation programmes and works with many of the world's largest buyers of advertising and market research. The Company's innovative solutions have gained notice in the industry, which has come to regard System1 Group PLC as a thought leader and change agent.

System1 Group was founded by CEO John Kearon and has been traded on the London Stock Exchange (AIM) since 2006. The Company is headquartered in the United Kingdom, and has offices in the United States, Switzerland, Germany, the Netherlands, France, Brazil, Singapore, Australia and China.



Sources & acknowledgements

Thank you to all the brands that took part in this research.

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Please note that the recommendations included in this document are merely meant as suggestions or proposals. They are not binding in any way whatsoever and members are free to depart from them.

**KING &
SPALDING**

Note: All WFA benchmarks, survey results, agendas and minutes are reviewed by King & Spalding, our competition lawyers.

WFA Competition law compliance policy: The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to. As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.

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