



MARKETING SCIENCE INSTITUTE

RESEARCH PRIORITIES

2018-2020

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RESEARCH PRIORITIES 2018-2020

The following list enumerates MSI's 2018-2020 five major research priorities. Each priority is categorized into several components with a set of specific, attendant questions for each component. Questions are prioritized by two tiers: tier 1 indicates higher priority questions than tier 2. MSI research funding decisions will focus primarily upon research that addresses this set of specific questions.

As is common in the marketing literature, the priorities begin with *cultivating the customer asset*, because all value available for the firm to capture comes from the value it creates for customers. The priorities then shift to the marketing mix, specifically the *evolving landscape of Martech and advertising* and the *rise of omnichannel promotion and distribution*. The rationales for enumerating these priorities next is that marketing strategies are predicated upon the needs of the customer, and the greatest technological discontinuities in the marketing landscape currently lie in advertising and distribution. These disruptions imply uncertainty and an attendant need for applied research. Of course, central to addressing the value customers desire and communicating and delivering value to them is collecting information regarding their preferences. This constitutes the rationale behind the subsequent *capturing information to fuel growth* priority. To implement these preceding priorities requires *organizing for marketing agility*, which concludes the list of the 2018-2020 MSI priorities.

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OVERVIEW OF RESEARCH PRIORITIES

1. Cultivating the Customer Asset

- 1.1. Characterizing the Customer Journey along the Purchase Funnel and Strategies to Influence the Journey
- 1.2. The Customer-Technology Interface
- 1.3. Macro Trends Influencing Consumer Decision Making

2. The Evolving Landscape of Martech and Advertising

- 2.1. Defining the Communication Message
- 2.2. Optimizing Media Strategy
- 2.3. Setting the Advertising Budget
- 2.4. Measuring Media Efficacy

3. The Rise of Omnichannel Promotion and Distribution

- 3.1. Managing Promotion across Channels
- 3.2. Managing Distribution and Demand across Channels
- 3.3. Channel Structure

4. Capturing Information to Fuel Growth

- 4.1. Painting a 360-degree/Holistic View of the Customer
- 4.2. What Key Performance Indices (KPIs)/Metrics Should Be Measured and How?
- 4.3. Assessing Causality
- 4.4. Approaches to Ingesting and Analyzing Data to Drive Marketing Insights

5. Organizing for Marketing Agility

- 5.1. Internal Organization
- 5.2. External Organization

1. CULTIVATING THE CUSTOMER ASSET

All firm value stems from customers' willingness to pay over the cost of goods. As a result, it is not surprising that consumer and customer insights remain a top research priority.

1.1. Characterizing the Customer Journey along the Purchase Funnel and Strategies to Influence the Journey

With increased capabilities to track customer "footprints" from first touch to purchase and beyond, new insights can be revealed regarding the path consumers take towards purchase. These include:

Tier 1

- How does the increasingly complex technological, promotional, and advertising ecosystem affect the customer journey?
- What are the most effective strategies to drive deeper and lasting customer engagement with the firm?
- Is it possible to construct an integrated customer experience with a single view across devices as opposed to a different interface or experience?
- How should a firm personalize the attributes and service experience for mass brands?
- What technologies enable the co-creation of the brand and product experience, and is this good for brands?

Tier 2

- How does a customer allocate their share of wallet across firms?
- What are the best strategies to increase the reach to and conversion of non-customers?
- Are cause and green marketing effective? When do these strategies work and how?

1.2 The Customer-Technology Interface

Customers face an array of new devices with which to interact with firms, fundamentally altering the purchase experience.

Questions around this issue are:

Tier 1

- What is the role of the human/tech interface in marketing strategy, such as automation (e.g., Alexa)?

Tier 2

- What is the role of personalization in a digital world; for example, how much of “product” experience is now ancillary informational content?
- Does personalization matter and, if so, when? Will behaviors change with increased digital touch?
- How does privacy influence the functional interaction with brands (for example, what is the tradeoff between privacy and personalization, and what are the ethical ramifications of customer data collection and use)?
- How do consumers react to surge pricing?
- Should consumers be involved in the co-creation of product and content and, if so, how?

1.3 Macro Trends Influencing Customer Decision Making

As the pace of change in the marketing landscape accelerates, new challenges exist in managing the customer journey.

Tier 1

- How can customers’ and consumers’ increasing reliance on price be attenuated in order to improve margins?
- How should firms cope with “ankle biters” (small, new entrants) chipping away share?

Tier 2

- How should firms integrate consumer strategies globally?
- What is the most effect way to conduct account-based marketing in the face of new online technologies?
- How should consumer inattention, especially among millennials, shape product strategy?
- What are the new aesthetics in an increasingly luxury- and social-oriented world?

2. THE EVOLVING LANDSCAPE OF MARTECH AND ADVERTISING

With media convergence, consumption of information across multiple platforms and devices, increased viewer information and targeting capabilities, and rapid changes in the markets for advertising, the rules of media buying and customer analytics are being completely rewritten. Owing to the massive expense allocated to advertising, this is a major priority.

2.1. Defining the Communication Message

With customer-level exposure data linked to purchase response, it is becoming increasingly possible to measure the effect of content and adapt campaigns accordingly. With this in mind, several questions present:

Tier 1

- What is the ideal creative in a digital world?
- How should campaigns and messages (e.g., branding) be integrated across platforms and devices?
- What approaches exist to be more nimble and agile (even automated) in creating and deploying campaigns?

Tier 2

- How should the communication message vary across the conversion funnel and communication channels?
- Can firms ensure brand safety (not advertising on controversial sites) amidst proliferating sites, automated buying, and advertising markets?
- How should advertising be linked to the content and context in which it appears?
- How should advertising design differ across formats (e.g., text and video)?

2.2. Optimizing Media Strategy

A profusion of media (including cable cutting) has led to increased diffusion in reach and a multitude of options for advertising outlets. Little insight exists to address these concerns.

Tier 1

- What approach should be used to develop automated/ programmatic campaigns real time with data?
- How can one employ artificial intelligence (AI) for better advertising (and customer) engagement?
- What is the right balance of digital and legacy (traditional media) investment?
- What is the impact of the transition of TV to digital on advertising? How should the evolving advertising markets affect ad procurement and distribution?
- As media become increasingly fragmented, how should one maintain reach?
- Is it possible to “micro-optimize” spend to the exposure level?

Tier 2

- What factors should influence the choice of the advertising platform (in the display and search markets)?
- What are the key programmatic decisions to make and how should they be made?
- What is the effect of cord cutting, ad blocking and walled gardens (e.g., on Facebook, Twitter and Snapchat) on media strategy?

2.3. Setting the Advertising Budget

Changes in the advertising distribution and information landscape will affect ad pricing.

Tier 2

- How will changes in ad pricing models – for example, pay for exposure – influence advertising spend?

2.4. Measuring Media Efficacy

With more consumer information available, it is increasingly possible to assess ROI.

Tier 1

- In the face of media fragmentation and audience loss, how should firms trade off reach versus targeting in advertising and promotion?

Tier 2

- What are the key advances in audience measurement as television shifts to digital, and how can this information be used to measure advertising response.
- Why are ad elasticities so low?
- What are the best approaches to validating purveyed advertising metrics?

3. THE RISE OF OMNICHANNEL PROMOTION AND DISTRIBUTION

As with communication channels, retail channels are fragmenting. On the one hand, this enables firms greater options for reach and creates new business opportunities within the channel. On the other hand, fragmentation makes channel management substantially more complex.

3.1. Managing Promotion across Channels

The presence of multiple channels has implications for the customer journey. Accordingly,

Tier 1

- How does omnichannel retailing interact with the purchase funnel, and what are the implications for promotional strategy?

Tier 2

- Which is the right channel, right content, and right time to reach a customer?
- What analytics are needed to address multichannel promotion?
- How do consumers form platform and channel preferences?
- Which promotions best align with which channels (e.g., mobile, Internet, bricks and mortar, sales force, etc.)?

3.2. Managing Distribution and Demand across Channels

Tier 1

- What analytics are needed to make sense of an omnichannel sales environment?

- What strategies are needed to create a seamless purchase and support integration across carts, agents, and devices?

Tier 2

- Which is the right product mix and pricing in the right channel?
- What is the right trade-off between self-service and personal channels?
- How should firms adjust to a digital payment world?
- What are the roles of reputation mechanisms across channels and their consequences for manufacturers, customers, and retailers?

3.3. Channel Structure

Radical changes in distribution raise questions about whether or how marketers should partner with channel members.

Tier 2

- As demand becomes more fragmented with a larger number of retailers, how should retailer and manufacturer partnerships evolve?

4. CAPTURING INFORMATION TO FUEL GROWTH

With the explosion of big data, and recognizing that the data imply insights, it follows that there exists the potential for an explosion in customer and firm insights. There remains a large gap between that potential and the state of the art, and MSI seeks to help close this gap.

4.1. Painting a 360-degree/Holistic View of the Customer

The first step in creating insights from data is capturing data. Much work remains to be accomplished in this area, including the following:

Tier 1

- What are the best practices in capturing exposures across platforms and devices, and how should this information be used to drive sales?
- How can manufacturers cope with limited customer data when selling through retail channels? For example, what information can be used to set and control consumer pricing when not a retailer?
- What strategies exist to facilitate partner integration across the information landscape to create actionable data? How should firms manage their business when partners do not share data?
- Does the lack of sharing data across partners create bad customer outcomes, and if so, how can these be improved?

Tier 2

- Is it possible to recognize people anonymously online to enhance the customer experience?
- How should firms cope with data that are growing faster than their ability to integrate it?

- When is the single view of the customer necessary, and how do the data improve business actions and outcomes? What are the cost-benefit trade-offs of additional marketing data?
- Is it possible to leverage data from the Internet of Things (such as fitness applications on social platforms)? How should the data be used, and is it informative?

4.2. What Key Performance Indices (KPIs)/Metrics Should Be Measured and How?

With a proliferation of data, there is the potential for clutter and distraction in managing the business. This raises the issue of which information should be used to guide marketing strategy.

Tier 1

- What “moments” in the data signal special engagement or behavioral changes (e.g., new adopters)?
- Do data create value and how does one measure the value of data?

Tier 2

- What KPIs pin down behavior, attitudes, and values? Will hard metrics sweep away soft?
- What is the ideal way to measure customer equity and customer ROI? How can new sources and types of data improve these measures?
- How can one measure long-term branding effects? How does one disentangle long- and short-term effects of media (including looking beyond direct-response to branding)?

4.3. Assessing Causality

Secondary data are limited in their ability to disentangle causal outcomes (for example, there may be no independent variation in two causals, or there may be reverse causality). Using such data to guide marketing decisions can lead to wasteful spending.

Tier 1

- How can a marketer attribute and apportion outcomes to various causal factors?
- How and when should a marketer use AB testing and is it possible to scale such testing across multiple channels and periods?
- What is the ideal approach to integrating marketing mix and attribution with causal levers and experimentation, including field experimentation?

Tier 2

- What advances are possible to generate efficient experimental designs, especially in online contexts?
- How should one balance causality and prediction? Which matters most and when?
- What strategies exist to combine AB testing and learning in order to trade off the value of current responses with the value from longer-term learnings about consumer behavior?

4.4. Approaches to Ingesting and Analyzing Data to Drive Marketing Insights

Coincident with the proliferation of information, there are a proliferation of measurement approaches and methodologies available to marketers that can reshape how firms view their customers. Some of special interest are as follows:

Tier 1

- What are the current best practices in machine learning and large data to inform marketing decision making?
- What approaches exist to capture and analyze nonstructured data such as video, voice, and text in order to improve firm communications and the customer experience?
- What advances exist in using neuroscience and biomarkers to understand customers?
- What are vanguard approaches for assessing digital and social ROI?
- How can data and tools generate insights that can be used to delight the customer? For example, even with abundant data, the customer experience in online retail is still not flawless.
- How can data be leveraged to identify new-to-the-world innovations?

5. ORGANIZING FOR MARKETING AGILITY

With rapid and accelerating environmental change, it stands to reason that organizations need to be responsive to change – both internally and in how they interact with the environment.

5.1. Internal Organization

In part due to increased financial accountability and the proliferation of customer information available to IT, marketing is often under siege internally.

Tier 1

- What strategies exist to quickly activate customer insights?
- How can marketing enhance its voice in the C-suite?
- How can marketing better link to finance, including measuring marketing ROI and ROE?
- How should information be captured and apportioned across marketing and information systems? What role should each play in the store, capture, and analysis of customer information?
- How should the marketing group re-organize in response to the omnichannel environment?

Tier 2

- What are the best practices for breaking down organization silos within marketing (e.g., consumer insights, sales, product management, etc.) and across departments (other functions)?
- How should marketing be organized for start-ups?

5.2. External Organization

As the pace of environmental change accelerates, organizations are increasingly interested in quickly aligning structure to new environments. Issues pertaining to these alignments include the following:

Tier 1

- What organizational strategies exist to optimize the collection, ingestion, and analysis of data? How should firms organize for evidence-based marketing?
- What organizational strategies exist to optimize the management of media and channels?
- What are the implications of platform economics and the sharing economy for marketing organizations? Should firms integrate to combine retail, payment, delivery, advertising, and content to exploit synergies in customer information and sustain competitive advantage. If so, how?
- How do firms restructure in the face of technological changes in payments, blockchain, advertising, delivery and distribution, net neutrality, subscription pricing, and so forth?
- What strategies enable marketers to become adaptable in the face of disruption (for example, developing, selling, and advertising algorithms)?
- How should artificial intelligence be deployed?

Tier 2

- How should firms realign for innovation and faster go-to-market?
- What organizational structures enable the development of new marketing skills in new environments (such as artificial intelligence)?

MSI Research Priorities-Setting Process

The development of the 2018-2020 research priorities followed a multi-stage process conducted in the fall and winter of 2017-2018.

First, we distributed an open-ended survey at the Fall 2017 MSI Trustee Meeting to solicit member suggestions pertaining to priorities.

Second, we conducted in-depth interviews with numerous members to collect additional suggestions and perspectives.

Third, via e-mail, we invited all member company Trustees, and current and past Academic Trustees, Executive Directors and Young Scholars to identify pressing marketing challenges and critical issues for the future.

Fourth, we synthesized all this information to create a ballot which was sent to all the Trustees. We asked Trustees to evaluate the relative importance of these broad topics that had been identified in discussions with our member companies.

Fifth, we summarized and organized this feedback via the preceding document.

These resulting priorities enable the Marketing Science Institute to engage in its most critical mission: aligning marketing science and practice in order to create materially better outcomes for marketers and the customers they serve.

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