RESEARCH PRIORITIES 2020-2022

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INTRODUCTION: MACRO DEVELOPMENTS AFFECTING MARKETING

As in the past, MSI's 2020-2022 research priorities are grounded in questions of enduring interest to marketers and researchers. At the same time, each of the 7 topics we have identified as research priorities for 2020-2022 should be considered in the context of one extreme macro development: the global pandemic and its aftermath.

The pandemic brought on by COVID-19 has wrought incredible change to the global economy that will likely have long-term effects on consumer behavior, the marketplace, branding and communication strategies, market regulation and public policy, global business and more. We are just beginning to see these effects and many opportunities for new research.

Increased online activity may heighten concerns about consumer privacy while other events have exacerbated longstanding concerns about social justice, inclusion and diversity. As companies and society at large grapple with these challenges, our research needs to remain timely and relevant.

Broader questions that address these issues might include:
- What is the role of marketing in helping organizations <u>anticipate</u> and prepare for "black swan" events?
- How can marketing help organizations adapt <u>after</u> such events?
- How will consumer behavior change in the wake of the COVID-19 pandemic (e.g., the "virtualization" of products, services and customer experience, expectations for corporate social responsibility, etc.)?
- How will the COVID-19 pandemic affect the globalization of markets and supply chains?
- What are the new business models affecting marketing (e.g., the sharing/gig economy, new distribution channels, subscription services, "as a service" offers, etc.)?
- What new technologies (e.g., automation/robotics, AI, IoT, 5G, voice activation, virtual/augmented reality, etc.) are creating challenges and opportunities for marketing?

In the pages that follow, we outline MSI's seven major research priority topics for 2020-2022. Subtopics offer further description and point to important research questions. The subtopics are prioritized by two tiers: tier 1 indicates higher priority questions than tier 2.

We look forward to supporting research on these topics, and we welcome your working papers, whether or not we have reviewed/supported the research. In addition, we plan to foster collaborations between our member companies and scholars working on these topics. Please think of MSI as a partner and collaborator in your research efforts to move the needle forward on these key issues.

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1. DELIVERING CUSTOMER VALUE

The first principle of marketing is the principle of customer value. A top priority for marketers is to understand and map the customer journey and then to identify the benefits the firm can provide that customers are willing to pay for.

1.1. Strategies to Prioritize Customer Value at All Touchpoints During the Omnichannel Customer Journey

Tier 1
- How does the increasingly complex technological, promotional, and advertising ecosystem affect the customer journey?
- How should the communication message vary across the conversion funnel and communication channels?
- Is it possible to construct an integrated customer experience with a single view across devices?
- What is the role of aggregators and other 3rd party players in delivering the customer experience? How will privacy regulations affect this? Which "ID" wins? Is there a single source of truth?
- How will the sharing economy affect customer experience and behavior (e.g., tipping for service)?
- How does this journey differ when the customer is a buying group rather an individual consumer? What are the key differences in customer journeys in the B2C vs B2B worlds?
- Trust is more important than ever between marketers and their customers. How can the firm ensure trust is maintained during the customer journey? What is the relationship of trust to ROI?
- What are the most effective strategies to drive deeper, lasting customer engagement/loyalty with the firm?
- What is the relationship between privacy protection and customer loyalty and customer experience strategies?
- How can we make sure our insights are global and not just U.S. centric?

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?
- How do customer KPIs translate into internal KPIs?

1.2. Macro Trends Influencing Customer Decision Making

Tier 1
- How will consumer behavior change in the wake of the COVID-19 pandemic and its aftermath?
- With rapid disruption in markets, traditional categories are changing. How do you determine who is a competitor? Who is in the consideration set? How important is platform marketing?
- How should firms cope with small new entrants threatening market share?
- How is customer behavior the same or different in global emerging markets?
- How do we keep a focus on long-term value creation in a data-driven world? Will new sources of data and analytics (e.g., AI and machine learning) make this better or worse?
- What is the most effect way to conduct account-based marketing in the face of new online technologies?
- What is the responsibility of marketing in creating sustainable and society-relevant marketing strategies?

Tier 2
- How should firms integrate consumer strategies globally?
- How should consumer inattention, especially among millennials, shape product strategy?
- Are there ethical issues that companies need to address as they develop strategies to maximize customer lifetime value and treat customers differentially?

2. THE EVOLVING LANDSCAPE OF MARTECH AND ADVERTISING

Fueled by 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 continue to evolve and change.

2.1. Defining Brand Value and the Communication Message

Tier 1
- How do brands manage in times of crisis?
- Should brands take a stand? How does "purpose marketing" affect consumer decision making?
- Can we find a better way to measure brand value and brand health using new data sources? How does brand value link to revenue?
- How do you measure the value of social influencer impact? What should the firm's strategy be vis-à-vis their relationships with influencers, are they "paid," "owned," or "earned"?
- What is the value of sponsorships? What is optimal digital/social/traditional advertising spend?
- What is the impact on the company of its position on sustainability, cause marketing and responsibility?
- How important is top-of-the-funnel data? Do well-known brands need to invest in general brand advertising and TV?
- How is the value of brand affected by the practice of micro-targeting and personalization? If the offer is entirely personalized, what is the meaning of the brand?
- As products become more commoditized in mature markets, how can brand differentiation be achieved through customer experience?
- What is the ideal creative in a digital world? Can we do research to find the "optimal" ad?
- How should campaigns and messages (e.g., branding) be integrated across platforms and devices?

Tier 2
- How can firms ensure brand safety (e.g., not advertising on controversial sites) amidst proliferating sites, automated buying, and advertising markets?
- How should advertising design differ across formats (e.g., text and video)?

2.2. Optimizing Media Strategy

Tier 1
- What approaches should be used to develop automated/programmatic campaigns with realtime data?
- How do you solve the problems of attribution?
- What is the effect of cord cutting, ad blocking and walled gardens (e.g., on Facebook, Twitter and Snapchat) on media strategy?

- How can artificial intelligence (AI) be used for better advertising (and customer) engagement?
- As media become increasingly fragmented, how should one maintain reach? How should firms trade off reach versus targeting in advertising and promotion?
- Is it possible to "micro-optimize" spend to the exposure level?
- How can you unify the data across different media venues and different sources? What are the harmonizing techniques?

Tier 2
- What factors should influence the choice of advertising platform (in the display and search markets)?
- What is the impact of the transition of TV to digital on advertising? How will the evolving advertising markets affect ad procurement, distribution and effectiveness measurement?
- What are the best approaches to validating purveyed advertising metrics?

2.3. The Customer-Technology Interface
Technology offers customers an array of new ways to interact with firms, fundamentally altering the purchase experience and raising concerns about data privacy. The key goal is to create a single trustworthy vision for the firm across the channels.

Tier 1
- What can we learn about the human/tech interface when voice-activated interaction (e.g., Alexa) becomes the norm? How does this process change the customer decision-making process?
- How do technologies help integrate customer value and brand?
- Does personalization matter and, if so, when? Can we "over-target"?
- In the age of GDPR and the increasing importance of preserving customers' privacy, what is the appropriate tradeoff between privacy and personalization, and what are the ethical ramifications of customer data collection and use? How will regulation/compliance affect marketing?
- How important is subscription marketing? What are the optimal ways to market "AAS" (as a service)-offers? How many subscriptions will consumers tolerate, and under what circumstances?
- What is the right trade-off between self-service and personal channels?

Tier 2
- How do consumers react to surge pricing or to other types of dynamic pricing?
- How transparent should a firm be in their pricing strategy? What is the customers' role in determining the fair price? Is "radical transparency" a beneficial strategy?
- What can be done to increase share of customer wallet? What are profitable ways to cross-sell? What are appropriate strategies for lead generation?

3. TOOLS FOR CAPTURING INFORMATION TO FUEL GROWTH

Emerging technologies, data sources and analytical techniques offer marketers new ways to observe and understand consumer behavior, enhance customer experience and sustain profitable growth.

3.1. Capturing Data to Create a 360-Degree View of the Customer

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?
- How can continuous experimentation be implemented and used across channels?
- What are the implications of differences between active and passive data collection? Sometimes the consumer acts directly (e.g., search, product questions), other times there are indirect measures (from security cameras, facial recognition, IoT). How should we treat these data differentially?

Tier 2
- Is it possible to recognize people anonymously online to enhance the customer experience (e.g., to replace use of "cookies")? If not, how does this affect privacy issues?
- Should customers own their data?
- How do AI and ML insights affect customer decision-making? How does the marketer make sure that customers' best interests are represented in the results? How can we build in ethical considerations into the algorithms?
- A longer-term perspective is needed to ensure ethical accountability, how can we make sure this happens?
- How can we mitigate the "creepiness factor" in targeting?

3.2. Which Key Performance Indices (KPIs)/Metrics Should Be Used to Guide Marketing Strategy?

Tier 1
- What "moments" in the data signal special engagement or behavioral changes and opportunities (e.g., new adopters)?

- Marketing mix modeling (MMM) of store-level data may be used because it falls into a "trap of convenience." Are these the appropriate metrics or are they only predicting short-term sales? It's a simple and appealing model, but are we missing something?

Tier 2
- What KPIs best capture behavior, attitudes, and values? Will hard metrics (e.g., operational data such as call enter time on hold) sweep away soft (e.g., customer satisfaction with call)?
- 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 you measure the value of the "content" that firms are producing in the form of blogs, white papers, web content, etc.?

3.3. Assessing Causality

Tier 1
- How can a marketer attribute and apportion outcomes to various causal factors?
- How and when should a marketer use AB testing? 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?

3.4. Measurement Approaches and Methodologies to Drive Marketing Insights

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 non-structured data such as video, voice, and text in order to improve firm communications and the customer experience?
- 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.

- What advances exist in using neuroscience and biomarkers to understand customers? When should insights from neuro supplement or replace traditional approaches? What are the ethical implications of such research compared to other methods?

4. THE RISE OF OMNICHANNEL PROMOTION AND DISTRIBUTION

As with communication channels, retail channels are changing. Retail is omnichannel—an integrated experience across the online-offline worlds. This omnichannel viewpoint enables firms to have more options for reach and to create new business opportunities.

4.1. Managing Brand Experience and Promotion across the Customer Journey

Tier 1
- How does omnichannel retailing interact with the purchase funnel, and what are the implications for promotional strategy?
- Data collection has to be integrated across channels so that the firm has one view of the customer, but who owns this data? What are the strategic ways to use this data and balance the power across partners in the channel? What is the role of regulation here?
- What are the benefits/weaknesses of the new direct-to consumer trends for start-up and legacy brands?
- How do consumers form platform and channel preferences?
- Which is the right channel, right content, and right time to reach a customer? How do consumers think about channels (e.g., given Facebook and Instagram)?

4.2. Managing Distribution and Demand across Channels

Tier 1
- As demand becomes more fragmented with a larger number of retailers, how should retailer and manufacturer partnerships evolve?
- What analytics are needed to make sense of omnichannel promotions and sales?
- What strategies are needed to create a seamless purchase and support integration across carts, agents, and devices?
- How should firms adjust to a digital payment world?

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?
- What are the roles of reputation mechanisms across channels and their consequences for manufacturers, customers, and retailers?

- How do these factors vary for Millennials, Generation Z, etc.?

5. ORGANIZING FOR MARKETING AGILITY

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

5.1. Capabilities and Accountability

Tier 1
- What is the role of marketing in helping organizations <u>anticipate</u> and prepare for "black swan" events?
- How can marketing help organizations adapt <u>after</u> macro developments?

- What strategies exist to quickly activate customer insights (agility)?
- 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 the marketing group re-organize in response to the omnichannel and data-rich environment?
- What organizational structures enable the development of new marketing skills in new environments (such as artificial intelligence)?
- Given high management and staff turnover, there is a need for continuous learning. How much attention should be paid to the new ways as opposed to transferring over internal marketing knowledge? What frameworks are useful for making these decisions?

Tier 2
- What are ways to break down functional silos within marketing (e.g., consumer insights, sales, product management, etc.) and between marketing and other functions of the organization? What are the potential benefits to marketing and to the wider organization?
- How should marketing be organized for start-ups?

5.2. Managing the External Marketing Environment

Tier 1
- How will the COVID-19 pandemic affect the globalization of markets and supply chains?
- 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 organizational implications of platform economics and the sharing economy for marketing?
- 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 anticipate and adapt?

6. INNOVATION, NPD AND COMMERCIALIZATION

Adapting to disruption and sustaining profitable growth will require companies to innovate new product and service offerings and efficient processes for bringing these to existing and new markets.

Tier 1
- What are the new business models affecting marketing (e.g., the sharing/gig economy, new distribution channels, subscription services, "as a service" offers, etc.)?
- How important is product innovation? Should it be internally driven (as a function of R&D) or in response to ML customer mining (or some optimal combination)?
- What is the tradeoff between innovation and strengthening the base?
- How should firms realign for innovation and faster go-to-market?
- Should consumers be involved in the co-creation of product and content and, if so, how?
- What does "experience innovation" look like?

Tier 2
- What technologies enable the co-creation of the brand and product experience, and is this good for brands?
- How can data be leveraged to identify new-to-the-world innovation?
- How should firms decide whether to partner, make or buy to accelerate commercialization?

7. FOSTERING INCLUSION AND DIVERSITY IN MARKETING AND SOCIETY

Research is needed to inform companies' efforts to promote inclusion and diversity, both in their own operations and in understanding and meeting the needs of various constituents. Researchers must also take into account potential biases in their theories, research designs and explanatory models—especially as these inform AI algorithms and corporate decision making that may have unintended consequences or perpetuate existing biases that harm specific groups.

Tier 1

- How can inclusion and diversity in consumer research, marketing and other teams improve their decision making to enhance companies' understanding of specific customer segments while avoiding stereotypes?
- Under what circumstances is consumer behavior best explained by factors such as level of economic/market development, institutions, socio-economic class (inequality), systemic racism, etc. rather than individual psychological factors? By cultural factors? By social networks? How can these perspectives be combined for a more holistic understanding of consumer behavior?
- What is the proper role of companies in promoting inclusion and diversity in their own operations? In society at large? How do consumers and other constituents view these actions, and what are the consequences for brand management? For corporate reputation? For investor relations?

Tier 2

- How can schools and companies address the barriers underrepresented minorities face in hiring, training and career development to fully participate as marketing professionals?
- How can laboratory studies of consumer decision making be extrapolated to the real world where the specific context and cultural, social and other factors affect outcomes?
- How will evolving public policies and regulations on inclusion and diversity shape companies' own efforts? How, in turn, can or should companies seek to influence these policies and regulations?