

What's the use of marketing research? A cynic's answer: Ask Absa!

 [By mike broom](#)

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Last week there was great fanfare about Absa's repositioning and rebranding. This seemed like a good time to illustrate the power of predictive measurement, developed by marketing science, called InfoAudit. InfoAudit was used to do the research via Panel Services Africa's online panel and publish our findings before the launch of the new positioning.



Absa embraces Africa with new brand

11 Jul 2018



So, what is the use of marketing research? This not-so-profound thought has troubled me throughout my career. I suggest that there are two avenues of thought to an answer: one from the marketing point of view and two the research point of view.



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Marketers look to research to reduce risk when making marketing decisions. Perhaps this is a naïve point of view when we continue to see new product failure rates in the 80%+ range. We see marketing blunders that are patently blunders only in hindsight.



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However, if marketers do undertake research and the blunders emerge despite that, then 'What's the use of marketing research?' is a fair question.

From the research point of view, the question is raised when marketers ignore the recommendations of research. There isn't a research conference anywhere that does not have at least one paper hinting (if not blasting) clients (i.e. marketers) for not listening to researchers; for not having researchers in decision-making fora; and/or for not doing enough research.

Bottom line: There is a deep divide, coloured in vivid shades of distrust, fertilised by antipodean perspectives. Marketers' minds are on the future. Researchers' minds are in the past. The groundbreaking work of Butch Rice and Jannie Hofmeyr in developing, marketing and refining the Conversion Model in the 1980's helped to bridge this divide, and the body of literature they cultivated provides lasting evidence of the value of effective, predictive research.

Predictive research

There are two vital elements that are required for predictive research.

First, a **model**. This is a view of the world that both conceptualises and explains the processes we are dealing with. For example, in the last century there was a model that said advertising generates sales through processes like the AIDA (Awareness=>Interest=>Desire=>Action) model. Nowadays, there's an evident belief that sales generate advertising – this operates through an acculturation model that is based on brand/customer matching through promotions, activation events, social media and brand championing. Whether the description of these models is accurate is not the point. The point is that the process at work should be understood and articulated as a model.

Secondly, a **measurement methodology**. This is a valid, reliable and accurate measurement, or set of measures that enables the model to be operationalised. The sad thing is that focus groups, verbal accounts and things like batteries of rating scales (those horrible grids that infest questionnaires) just don't cut it. The conversion model is particularly efficient in this respect in that the segmentation derived from the model were based on a very parsimonious set of three or four questions.

“ So, the answer to the question, 'What's the use of marketing research?', is simply: Not much! Unless it is predictive. ”

We measured the new Absa logo, the old Absa logo and the Capitec logo (the latter because it's the fastest growing bank of

our panel and it ranks second out of all banks as our panellists' main bank).

The specifications of the study were that we invited 200 panellists who had Absa and Capitec as their main bank.

The purpose of the study was to demonstrate the InfoAudit methodology and cast some light on the debate.

Findings

Firstly, across the sample of N=201, we determined the relative importance of the five strategic attributes. This provides some measure of external validity because all banks have a strategy, and that would be based on what they believe to be the most important attributes:

	Importance %
The bank is easy to deal with	17%
The bank can be trusted	33%
The bank is well located	12%
The bank has helpful staff	16%
The bank has all the products I need	22%
	100%

The first question to ask is whether these numbers make sense. Is it sensible that the most important attribute is **trust** and the least important is **location**? You be the judge!

We then asked, for each of the different logos shown above, the extent to which they reflected these five attributes.

This is what we found from our panellists:

Base N=201	Importance %	New Absa	Old Absa	Capitec
The bank is easy to deal with	17%	22.6%	32.0%	45.4%
The bank can be trusted	33%	21.7%	37.6%	40.7%
The bank is well located	12%	24.7%	35.5%	39.9%
The bank has helpful staff	16%	23.2%	32.5%	44.3%
The bank has all the products I need	22%	25.4%	36.3%	38.3%
WEIGHTED SCORE	100%	23.2%	35.3%	41.5%

The first thing to note is that on the most important attribute, the new Absa logo has the lowest scores of all three. Yes, of course the scores reflect the history of the brand, etc, but surely Absa would want a logo that outperforms the existing one, or even better, outperforms Capitec on at least the most important attribute.

On all our work over the past 20 years we have found that growth brands score highest on the three most important attributes consistently.

The other feature of InfoAudit is that we can classify people according to the four categories mentioned above – where we have given them labels of our own invention:

	Base		Label
Inconsistent and quick	16%	32	Clickers
Inconsistent and slow	46%	92	Unengaged
Consistent and slow	30%	60	Plodders
Consistent and quick	8%	17	Mavens

Our experience has shown that:

- The 'Clickers' just can't be bothered to give it much thought – we flag these people on our panel for further investigation
- The 'Unengaged' don't feel bothered with the category
- The 'Plodders' engage cognition and may be more responsive to the written word
- The 'Maven' tend to be influencers in that they connect well with the category

Earlier I referred to the need for and existence of predictive research. We therefore believe that our methodology signals a blunder in this move by Absa.

ABOUT MIKE BROOM

I have been involved in marketing research for over 40 years, across all spheres. I started Marketing Science in 1992, Infosense (aka Infotools) in 1995 and Panel Services Africa in 2005. For more information on Ad-Audit, please contact me at infoQuest (formerly PSA) on 083 255 2668 or [click here](#) to send an email.

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