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The Marketing Analyst's Continuum Positioning Approach To Developing Pragmatic Insight

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Abstract:

Marketing and competitive analysis (MCA) has been part of the curriculum for marketing students and practitioner certification courses for many decades in post-secondary institutions. The implicit assumption that such knowledge, skills and abilities (KSAs), or competencies, can be taught, often goes unchallenged. Even after years of rigorous, mainly classroom-based preparation, marketing graduates themselves, and their employers, frequently report that they are not adequately prepared for the MCA task. This situation has led the authors to investigate the question of whether pragmatism in MCA can actually be taught.

A new conceptualization is suggested, to help address this situation, one which has been successfully applied in both corporate and graduate MCA development and training programmes. Based on a positioning approach conducted within ten continua, the conceptualisation suggests that MCAs must learn to consider and integrate their insights about these elements within the ongoing conduct of their work. Success in knowing where to emphasize their efforts, knowledge and resources along these continua can potentially lead to improved analysis outcomes. The paper discusses the extant problems in MCA and its instruction, the ten continua, and reports on further research currently being conducted by the authors to empirically examine the framework.

Keywords: Education, Pragmatism, Marketing, Analysts

Track: Marketing Education

Introduction

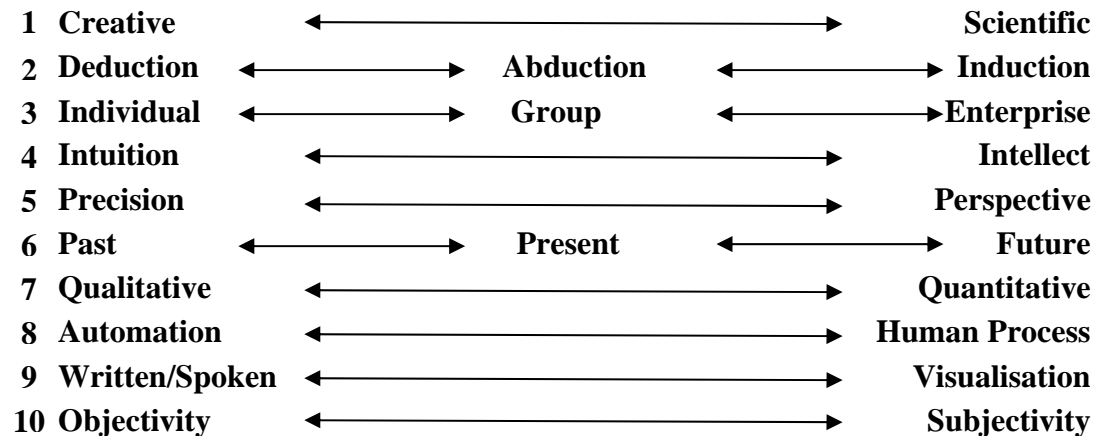
The potential for the teaching of pragmatism has been debated in the arena of business ethics (Griseri, 2002, Locke, 2006, Burton *et al*, 2006), multiculturalism (El-Hani & Mortimer 2007, Kim, 2006), technology/science (Davies, 2003) and popular culture (Snævarr, 2007). A recent conceptual paper by Clark *et al*, (2006) identified scope within the marketing curriculum and Herrmann (2005) spoke of the need for scholars and practitioners to conceive “*new dominant paradigms in strategic management that revolve around the concepts of knowledge, learning and innovation*”. Miller & Ireland (2005) agree that “*intuition has not been subjected to sufficient review*”. Apart from their article which attempts to respond to the need for critical evaluation and offers tactics to aid intuitive development, the question remains, “*can marketing instructors teach pragmatism?*”

Pawelski (2006) reported on experiments applying pragmatic pedagogy to character development and suggested that educators need to teach pragmatism more pragmatically. Pawelski also noted that teachers of pragmatism need to be “*fully aware of intellectual influences and constraints on their own pedagogy*”. In the higher and executive education system there is little evidence that teaching the skill of pragmatism and realism is taken seriously, albeit such a skill set is lauded as a distinct competitive advantage for an individual in their career (Dacko 2006). In their review of marketing curricula, Evans *et al* (2002) concluded that “*many marketing graduates are not being well equipped for the 'new marketing'*”. Dacko (2006) and Lynch (2007) also observed that unless graduates are able to master the broader range of “soft” skills (of which we would claim pragmatism is one), then their ability to apply their subject knowledge will be severely limited. Lynch (2007) also reported on research with employers which revealed that their requirements from graduates went well beyond the application of subject knowledge, and into the realms of intuition, creativity and common sense.

There is a long-standing debate about whether analysis is actually a craft, a discipline, a field, or a profession (Johnston, 2005, Marrin & Clemente, 2005, Fleisher, 2003, Davis, 2002). Much of this debate centres round how a marketing and competitive analyst (MCA) has to balance the need to be creative with the need to employ documented methods in their effort to produce good output (Fleisher & Bensoussan, 2007). Although these two “art” and “science” elements are not necessarily diametrically opposed, they are generally perceived as two ends of a single continuum (Johnston, 2005).

In Figure 1 we outline ten continua, embracing precisely these skills, all of which we believe an MCA has to master before they can consider themselves to be truly competent in their work.

Figure 1
The 10 Key Continua of Marketing and Competitive Analysis



These continua have been developed not only from our research and experience of teaching MCA, but also from discussions with a variety of practitioners of differing experience around the globe. A few elements of the ten continua will inevitably overlap, but the intention has been to establish those with lower degrees of redundancy and repetition. In order to carry out their work effectively, MCAs must be willing, able and competent at moving across the continuum to suit the situation to hand. As previously stated, the problem is how to teach this skill, and even more challenging, how to assess it in the normal framework of business education.

1. Creative ↔ Scientific

MCAs need to be skilled in the application of both creative and scientific techniques. Good analysts will seek to combine differing intellectual patterns, which are reflected in the wider, often unique processes in any firm's decision making process (Clark, 2004). Experienced analysts develop the ability over time to know how to achieve the appropriate balance between the various elements, and approaches to the analytical task (Davis, 2002). Although recent efforts have sought to document and replicate the approaches, methods and skills need to properly perform this analysis (Davis, 2002), most experienced analysts recognize that creativity that comes out of first-time connections or techniques can also be a source of valuable insight. If all MCA was done scientifically, then the development of artificial intelligence, computational algorithms, and solutions-generating software would already have become the norm, a situation that at least a few experts suggest would be debilitating for analysis and decision making in most organizations (Gilad, 2004; Fuld 2003)

2. Deduction ↔ Abduction ↔ Induction

This continuum examines the sequence of analysis arising between assumptions, facts, and conclusions. It is important because many MCAs begin their tasks with a plethora of data and facts to assist them, while others lack them. It is also important in cases where analogies or benchmarks are readily available and those cases in which these items are lacking.

Deduction is the process of reasoning used by analysts whereby their conclusions follow from the stated premises (Clark, 2004). In other words, analysts deduct inferences by

reasoning from the general to the specific (Belkine, 1996). Deductive reasoning works best in so-called closed systems, which rarely exist in the competitive business arena. Nevertheless, as a critical mode of inquiry, it can be very useful in refuting specific hypotheses and helping the analyst arrive at more definitive estimates of the likelihood of prospective outcomes. Induction typically happens when an analyst is able to postulate causality amongst related phenomena. It can also involve drawing out or analyzing assumptions or premises used in forming conclusions (Clark, 2004).

Abduction is the process of generating an original hypothesis to explain evidence that does not easily or readily offer a common explanation. Compared to inductive reasoning, abduction expands the number and set of hypotheses available for scrutiny to the analyst (Schum, 1987). Some experts have referred to this as the “a-ha” type of reasoning whereby the analyst generates responses in a spontaneous fashion and probably cannot consciously articulate the steps they used to arrive at their outcome (Schmidlin, 1993).

3. *Individual* ↔ *Group* ↔ *Enterprise*

Analysts work on tasks across three generic levels of their organizations, individual, group and enterprise. As in many problem solving and decision making endeavours, achieving success at all three levels involves more than just the additive burden of having to integrate more people into one’s task. Much of the analyst’s work is done at the individual level whereby they alone are responsible for the outputs. Analysts will commonly work in collaboration with others, with the final product being the result of a joint effort. In these cases, the individual effort is difficult to identify as it becomes entwined and develops as a result of the group process.

At the enterprise level, an analyst’s own group collaborators, and other groups within the enterprise will generate insights that are utilized by decision makers. This is the most complex process in an organization and as a consequence, it is more difficult for the individual effort to be identified. A large part of the analyst’s role is to consider and integrate the firm’s context into their analytical process. There is a paramount need for them to be cognisant of, and factor in, the social, political, historical, and cultural lenses through which their colleagues view the world (Fleisher & Bensoussan, 2007). At the same time, it is important that they do not over-play the role of such corporate norms, otherwise they will become paralyzed and ineffective. (Langley, 1995)

4. *Intuition* ↔ *Intellect*

Similar but not the same as the creative-scientific continuum, this one suggests that analysts must employ their intuition, sometimes referred to as 'immediate cognition' or the “Eureka effect” (Cutting & Kouzmin, 2004). Intuition is inevitably influenced by past experience coupled with a natural proclivity to come to a judgment, often recognised as instinctive ways of knowing (Davis, 2002). MCAs will have a hunch or sense of something which they cannot readily express in writing. What makes intuition so important in an analytical context is that not only will the analyst use this to some degree in processing data, but the decision-maker will almost always use a similar skill in assessing the recommendations of the analyst. Intuition is a prevailing power within the process.

The use of intellect is where the MCA is operating in a well thought out, calculated and rational manner. Intellect is driven by a data gathering plan and a strategy which is subject to time, social and other performance pressures which can impair it.

Intellect and intuition may converge in the end in an analyst's recommendation, but the intellectual portion of their recommendation can be more easily communicated to recipients in the form of rules, concepts and/or techniques. Intuition is less tangible and less easy to prove.

5. *Precision* ↔ *Perspective*

It is suggested that the majority of MCAs will work in the broader context of the firm, rather than the more narrow and specific facets of precision. This is often analogized as the trade-off between seeing the "forest for the trees". A decision-maker will not usually need to know the fact that a competitor earned precisely 34.5632 % of their total revenues from a product called "Shiny Hair To Go", rather, the perspective view that they generated approximately one third of their revenues from one product line. In other words, answering the question, "thank you for the figures, but what does that actually mean?"

Whilst the perspective view can tend to be more valuable, this does not mean to say that there is any room for a lack of precision in coming to that view. It is all a matter of what is reported and how it is done. MCAs should always seek to attain a reasonable level of precision without spending any more time than is necessary to produce a recommendation with an agreed level of confidence. This will change by project, by situation and by decision urgency.

6. *Past* ↔ *Present* ↔ *Future*

MCAs make trades-off between the direction of time in which both their data, and their recommendations, are pointing. Accounting data, competitor sales figures, information from financial statements and balance sheets, market share figures, and the like, are the result of action which have taken place in the past. This information is of value when operating in static and simple market conditions, where forecasting, trends analysis and chain ratios, based on past events, are common place (Hooley *et al*, 2008a). In dynamic and complex markets, concept testing, scenarios, strategic planning, cross-impact analysis and expert opinion are required (Hooley *et al*, 2008b). The simple collection and assimilation of past data is insufficient to assess the future.

MCAs also need to use leading indicators of present and future activity and factor these into their understanding of the evolving competitive environment. A skilled MCA knows that looking ahead is far more important than looking backwards. Reliance on past data alone only summarises what is already known, it does not necessarily predict the future.

Recommendations, propositions and judgements about the future are where MCAs earn their money and reputation. It is only then that they are earning their salary, providing value added analytical output for use in their firm.

7. *Qualitative* ↔ *Quantitative*

Qualitative analysis methods are those which are typically associated with interpretative approaches, rather than measuring discrete, observable events. Qualitative methods are most helpful in those areas that have been identified as potential weaknesses within the quantitative

approach. The use of interviews and observations provide a deeper, rather than a broader, data about a particular phenomenon. These methods can be particularly valuable in helping to describe and explain the longitudinal evolution of competition and competitive behaviour (Johnston, 2005).

Quantitative methods are more commonly used to examine a context at a single point in time, they seek "*distinguishing characteristics, elemental properties and empirical boundaries and tend to examine 'how much' or 'how often' certain phenomena occur*" (Nau, 1995). The weaknesses of quantitative analytical process lie mainly in their failure to ascertain deeper underlying meanings and explanations of marketplace competition, even when they produce results that are significant, reliable and valid (Gilad, 2004).

Recent surveys of tools used in assisting decision making show that the majority of managers and companies tend to favour the use of quantitative methods (Rigby & Bilodeau, 2007), principally because they tend to produce results which can be replicated and are more easily disseminated. Quantitative analysis and results tend to be viewed as being more rigorous and free from interpretational bias (Davis, 2002), but it is also well understood that statistics are not always as "squeaky clean" as purported (Best 2001, Best 2004).

Effective MCAs need to be able to apply and use both qualitative and quantitative methods and to be able to communicate both the results and the processes underlying their analysis. Without understanding from where, and how, their results were derived, as well as the trade-offs made in achieving them, they leave themselves open to criticism.

8. Automation ↔ Human Process

One aspect that every analyst must assess is the desire to automate their processes. Many business processes have benefited greatly from the 'systems' approach and it certainly has its place. Even a number of data gathering tasks that form the larger process of competitive intelligence, such as setting up targeted RSS feeds, automated "pushing" of competitor's website changes, or media about competitors' activities, have been productively automated (Vibert, 2001). Unfortunately, software developed to support the MCA process has, to date, not been impressive in performing or promoting effective analysis (Fuld, 2003).

No 'magic bullet' or 'plug-in' solution exists that can replace the ability of the human brain to understand, assimilate and assess the type of data that MCAs regularly deal with, much less make sense of it. Whilst some automation may benefit MCAs, what automation can't yet carry out, and may never be able to do, is replicate the unique processes of strategic thinking that human beings can achieve. This is especially true when this thinking includes the application of creativity and intuition previously described.

9. Written/Spoken ↔ Visualisation

The issue of clearly communicating analytical processes and outcomes is ever-present. In volume terms, the written/spoken word is, arguably the most frequent form of delivery used. Unfortunately, not all spoken or written words are meaningful due to poor delivery, poor language skills and/or overuse of codes or acronyms which do not translate or travel across divisions or SBUs and, at times, an inappropriate context.

Visualisation on the other hand, allows MCAs to share their ideas in graphic, illustrative, pictorial formats. Being able to 'draw a picture' of a situation, visually describe competitors or their likely behaviours and use metaphors to aid understanding is far more powerful, and memorable, to busy decision makers than a 35 page report of closely typed text and figures. The onus is on the MCS to make the story 'live', interpret their findings and provide a recommendation, rather than simply presenting the bare facts. Analysts also need to be aware of the preferences of their differing audiences and be able to develop the skills required to deliver to those needs.

10. *Objectivity* ↔ *Subjectivity*

Nearly all tenets of analysis suggest that MCAs must be objective, detached, dispassionate and unbiased in their work. This does not mean that individuals can, or should, surrender their personal views but MCA is often more akin to the social sciences than to pure science. Consequently, there will always be some degree of error present. Individuality by an MCA is highly desirable in the appropriate circumstances. MCAs need to recognise when they are being objective and when they are not (Clark & Montgomery, 1996). This balance is difficult to achieve because few analysts are trained or coached to recognise their own biases and subjectivity.

Subjectivity in analysis requires the same justification as any other form of objective measure. It must be properly clarified so that decision makers can make their own judgement on the quality of the analysis and recommendations presented. MCAs should always enter an assignment with an open mind, try to see things through the perspective of their data gatherers and decision-makers as well as market competitors in order to be empathetic to better understanding their own preconceived notions.

Conclusion and Further Work

Effective analysts must know how to properly position their efforts and focus across the continuum over time. That is not to say that analysts always need to find the middle ground on each continuum. In fact, the middle ground may be exactly the wrong place to be. Rather, the analyst needs to determine where they should be on a project along each of the continua, and be able to adapt along each, as the project and its evolution demands.

Teaching the art of pragmatism, intuition and "gut feel" continues to evade educators. This paper is the fore-runner to a funded research project which aims to better understand the precise personal qualities which employers seek when hiring MCAs, and as a consequence, will provide insight into how these map on the newly launched "World Class Standards for Marketing and Sales" (MSSB, 2007) criteria. This will then be the subject of a large scale, survey of professionals in higher education to discover whether, and how, these highly valued "soft" skills are being taught and assessed in the classroom.

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