

SAMPLE

"A powerful playbook on how to stay close to the changing consumer and turn the consumer insights function into a competitive advantage for your business."

Ravi Dhar, Director, Yale Center for Customer Insights and
Professor of Marketing and Psychology, Yale School of Management

The Consumer Insights Revolution

Transforming market research
for competitive advantage

Steve
Phillips

Ryan
Barry

Stephan
Gans

Kate
Schardt

Praise

“A powerful playbook on how to stay close to the changing consumer in our fast-paced world and turn the consumer insights function into a competitive advantage for your business. A great read for marketing and consumer insights leaders alike.”

— **Ravi Dhar, Director**, Yale Center for Customer Insights and Professor of Marketing and Psychology, Yale School of Management

“Data really is the new oil; *The Consumer Insights Revolution* is the guidebook on how to build a modern refinery to deliver real, tangible impact from it. It’s indispensable and inspiring!”

— **Leonard F. Murphy**, Chief Advisor for Insights and Development, Greenbook

“People, processes, and technology are the foundation of modern business transformation. In *The Consumer Insights Revolution*, the authors reveal powerful lessons on leveraging technology partnerships to elevate a global brand’s consumer focus. Packed with actionable insights and forward-looking strategies, this book empowers marketing and insights professionals to drive

impactful change and build greater influence within their organizations.”

— **George Kadifa**, Managing Director,
Sumeru Equity Partners

“From agile methodologies to AI integration, *The Consumer Insights Revolution* offers a goldmine of nuggets for anyone navigating the future of Market Research. Written by four of the most innovative icons in the industry, this book is a must-read.”

— **Michelle Gansle**, Chief Data & Analytics
Officer, McDonald’s

“A thought-provoking and necessary read for the market research industry; this book encourages market researchers to push the boundaries to innovate and influence in their careers.”

— **Lauren Governale**, Senior Director,
Head of Customer Insights & UX research,
Hims & Hers

“Energizing and a must read for researchers and human intelligence experts who want to push the boundaries of what is possible to ensure that the Insights ecosystem thrives. Some great inspiration on how organizations can shift from knowledge management to decision management, ensuring that Insights teams step into the role of strategic partner vs just research generator. Love love love!”

— **Nic Umana**, Global Agile Innovation
Human Intelligence Director, Mars

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R^ethink

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Contents

Foreword	1
Introduction	7
What about you?	12
Why listen to us?	18
What you'll get from this book	19
PART ONE The Case For Change	23
1 Driving Competitive Advantage	25
The shift to data abundance	28
Where being agile comes in	32
Do you know what you know?	37
The takeaways	40
Action points	41

2	What Agile Market Research Looks Like	43
	The new digital democracy	48
	The democratic shift	52
	The three stages of consumer insights maturity—from order taker to business partner	58
	How you should work toward Stage Three	64
	The takeaways	68
	Action points	69
	PART TWO Building An Agile Market Research Function	71
3	Your Process	73
	The golden triangle of digital insights transformation	74
	PepsiCo's approach	77
	How to create your process	83
	The takeaways	103
	Action points	103
4	Your Platform	105
	PepsiCo's approach	106
	Systematic market research	113
	The knowledge management center	117

Where consumer insights data sits in all this	120
Collaborating with your IT department	122
Considerations when adopting a digital market research platform	123
The takeaways	127
Action points	127
5 You And Other People	129
PepsiCo's approach	131
Changes to your job	140
Changes to other people's jobs	149
The takeaways	155
Action points	156
6 The Future	157
The ability to ask open-ended questions at scale	161
The chair at the table	164
The takeaways	170
What To Do Next	173
Know why you're doing this	174
Know how it could work	175
Know the answers to "But what about..."	177
The most important thing	178

The Bluffer's Guide To Tech Terms	181
Tech terms with specific market research applications	181
More general tech terms	184
Acknowledgments	189
Special thanks	190
Personal thank yous	192
And to you, the reader	194
The Authors	195
Steve Phillips, cofounder and CEO of Zappi	195
Ryan Barry, Global President of Zappi	196
Stephan Gans, SVP, Chief Insights and Analytics Officer at PepsiCo	197
Kate Schardt, VP, Global Insights Capabilities and Partnerships at PepsiCo	198
About Zappi	198

Foreword

PepsiCo's mission is to create billions of smiles, shape the future of our categories, and accelerate our growth, while making a positive impact on people and planet. In this journey, the PepsiCo Consumer organization, which I have the privilege to lead, has a distinctive contribution to make.

The truth is that creating products and building brands that resonate with people is hard work. Marketers, innovators, and designers meet this challenge head-on every day with an insatiable appetite to push the envelope and create work that moves the meter for their consumers and brands. However, effective work isn't just the most

THE CONSUMER INSIGHTS REVOLUTION

aesthetically pleasing ad or the loudest new product on the shelves; rather, it starts with the ability to connect brands to the lives and needs of consumers in a way that is relevant and authentic.

In this complex environment, the role of our Consumer Insights and Analytics function is more important than ever as we strive to anticipate the rapidly changing needs of the people we serve. I am impressed with PepsiCo's ongoing multi-year journey led by Stephan Gans, PepsiCo's Chief Consumer Insights Officer, who, together with his Insights Leadership Team, is transforming our many separate insights departments into one aligned global function that leverages its scale to build competitive advantage for the company.

For PepsiCo, the key to leveraging our scale in consumer insights lies in digitalization of our key tools, and providing access to data for all our teams around the world. Kate Schardt, the PepsiCo head of Global Insights Capabilities and Partnerships, has embarked on a bold mission and partnered with Zappi to create Ada. *So what is Ada?* Ada is our own insights operating system where PepsiCo employees around the globe can tap into a lifetime of shared knowledge and learn. Ada has become the human-centric heartbeat of our marketing strategy, providing a shared space to test new and exciting ideas, connect data from pretesting all the way

through purchase, and look deeper into what drives our consumers' behavior.

Through our partnership with Zappi, PepsiCo has been able to not only rally around a standardized way to evaluate marketing ideas and execution but also to raise the bar on what constitutes great creative execution and innovation by linking the consumer performance indicators to PepsiCo's proprietary return on investment (ROI) engine. Also, because the benchmarking we use is not a "black box," we curate the standards we're setting for these comparisons ourselves. While Ada allows us to take work in-house where we own the interpretation and action of our insights, this means we can develop local talent along with our insights experts to work with greater speed and make smarter decisions.

But we've discovered an even more critical benefit: Ada enables company-wide learning. Indeed, everyone can have access to all data anytime. This means each time one market tests a new idea, the whole company can learn from the results and become smarter. This is how our scale becomes an advantage, and how we make increasingly better consumer-centric commercial decisions at all levels, especially at the market level.

Zappi has been one of our main technology partners from the start of Ada, working with us in lockstep to create tools built around our priority needs. Without the partnership with Zappi, our vision would have taken five or ten years longer to come to fruition. While at a glance a large multinational company partnering with a technology startup may seem like an unlikely match, Zappi provided an access point to new technology, as well as an infectious energy and ambition to drive change not only in PepsiCo but in the consumer insights industry. We are grateful for the partnership and vision of fellow authors Steve Phillips and Ryan Barry, for challenging the status quo and bringing a bias for action to our work each day.

Stephan and Kate will be the first to tell you that it isn't always easy getting to a point where a global company of PepsiCo's scale harnesses insights as instrumental to our day-to-day jobs. It requires an ongoing and concerted effort to change hearts and minds. In the pages that follow, you will discover the process through which PepsiCo Insights is making a real impact on the organization thanks to the resilience and ambition of the insights leadership and their Zappi partnership. In addition, as with the fast-moving nature of both consumers and technology, this book will also give you a flavor of the next evolution of consumer insights, and why artificial intelligence (AI) could and will change everything.

I hope that as you read about our story, you can draw parallels with your own experiences and find inspiration to grow yourself, your team, and your organization into more human-centric ways of working. We are on a journey too and would welcome your ideas and builds.

Happy reading,

Jane

Jane Wakely, Executive Vice President at PepsiCo, Chief Consumer and Marketing Officer, and Chief Growth Officer for PepsiCo's International Foods business

Introduction

It was June 2017 when Stephan Gans joined PepsiCo as Chief Consumer Insights and Analytics Officer. He knew that his function was facing a huge challenge. The company's leadership had lost faith in the insights function's ability to drive competitive advantage and told him that his main objective was to slash costs. If he didn't find a way to prove and improve the value of the work he and his colleagues did, they would be in trouble.

The first thing he set out to do was to talk with the many insights teams stationed around the world in the company's business territories. Luckily for him, he found a diverse range of bright, hard-working, and experienced market research professionals. They all told him the same things: The tools from

their incumbent vendors were outdated, everything took too long, and it all cost too much. The slowness in particular was a problem—it took weeks to get a piece of research back—and this caused friction between insights teams and their marketing colleagues.

Not only that, but there was little joined-up thinking, both within PepsiCo and among its vendors. The insights teams were doing great work, but there was virtually no leverage of best practice, talent exchange, or information-sharing between them. When Stephan asked the Mexico team what was going on in Mexico, they had lots of information to share, but they had no straightforward way to discover what the equivalent team in Germany knew. What happened in Mexico stayed in Mexico, and what happened in Germany stayed in Germany. Stephan called this problem “local for local.” While marketing was increasingly starting to think and work globally, market research was limited to its own country or region.

Ironically, one of the only things that united Stephan’s market research teams, apart from a limited number of common tools, were the agencies they worked with. Even there, the unifying effect was small. As is standard for large research organizations, vendors were set up to mirror PepsiCo’s global structure, with offices in each of the territories and markets the company served. They too bypassed the global in favor of the local, which, for a multinational such as

PepsiCo, took away a significant part of its potential competitive advantage.

The fact that consumer insights teams were effectively living on their own individual islands, doing their own thing, their own way, also denied PepsiCo the opportunity to learn and grow from the data that they already had. When Stephan asked one of his vendors why they couldn't share information between their own branches more easily, the vendor said, "It's funny you should ask that, because I have a report here you might be interested in." It consisted of four pages crammed with tiny print, listing all the research projects commissioned by PepsiCo for the past four months on the breakfast opportunity for Quaker Oats in thirty-five different markets, for millions of dollars. Yet nobody had shared these projects with anyone else to find commonalities or aligning methodologies. When Stephan multiplied this report by the number of brands the business had, it was clearly madness.

Stephan realized that his consumer insights people had become order takers for market research projects, a bit like clerks behind a post office counter. When a marketer needed research, they approached the counter and briefed the consumer insights person, who gave them a price and an estimated timescale for the job. The "clerk" didn't question the marketer about what was in the package, whether there was a better option that the marketer didn't know about, or even if it needed to be sent at all.

THE CONSUMER INSIGHTS REVOLUTION

Given that PepsiCo was spending hundreds of millions of dollars per year on consumer insights and was determined to become—like all businesses—more consumer centric, it was clear that drastic change was required. The insights managers needed to transform from order takers into indispensable business partners.

Stephan began by developing an inspiring but simple vision for the market research function and starting to articulate what it would take to drive the transformation. He also initiated the process of uniting the market research islands into one nation by creating what he called the Global Insights Council (GIC). GIC was a group of fifteen insights leaders representing PepsiCo's business regions, as well as its central and global capabilities. He discovered that these leaders shared a powerful desire to become more impactful. While they'd long recognized some of the issues that Stephan had uncovered, their isolation had made it difficult to address them. They were eager to work more closely with one another to develop an integrated, global approach. For that to happen, they agreed on two goals: that PepsiCo should become the owner of its consumer data and insights, and that this ownership should be a cornerstone of its future competitive advantage.

Those were their goals, but the "how" of these changes meant that the consumer insights teams could no longer afford to work in a sequential way, as clerks

taking orders and delivering results. Marketing had become a real-time game, necessitating tools that supported agile decision making. Since the consumer insights function also needed the meta-learning that would come from owning consumer data and sharing it among themselves, they could no longer outsource it to traditional market research agencies. Consumer insights required their own digital platform that could be accessed by anyone around the business who had a need for data. They couldn't achieve this transformation alone, so they looked for a partner who was digitally based, set up to work globally, and eager to challenge the status quo.

Stephan and the GIC chose Zappi as that partner because it was the most advanced digital market research platform provider around. Together, the two companies embarked on a venture that's unique in the consumer packaged goods industry. They committed to surfing the wave of digital consumer insights as a joint endeavor, learning from each other and growing as they went along. In the process, Zappi worked closely with a small group of PepsiCo Insights talent to create world-class tools that exponentially improved PepsiCo's marketing effectiveness.

The responsibility now rested on Stephan and the GIC. They had to prove to themselves—and to the rest of PepsiCo—that creating a digital platform that brought their data together for sharing and creating insights across the global brand would

make the whole business more consumer focused. They weren't disappointed. Five years after making this change, PepsiCo's creative effectiveness has improved by almost one-third across all its advertising. This equated to the business gaining hundreds of millions of dollars in value in just one year. To date, the platform has generated over 6,000 research projects (delivered five times faster than before) and over \$100 million in savings and improvements. Stephan and the GIC have built a culture of agility, speed, and efficiency that has led to the business's recognition as an industry leader in consumer insights. Rather than being slashed, Stephan's budget has grown.

What about you?

In the rest of this book, you'll learn more about how PepsiCo's consumer insights professionals evolved from order takers to business partners and the amazing benefits this has continued to bring to the organization. For now, though, let's pause and take a moment to reflect on your situation. Do any of the challenges we've discussed sound familiar to you? Perhaps you've experienced feeling isolated from what's going on in the rest of your company. Maybe you've grown frustrated with the sluggish pace and silos in your market research projects. It's possible that you feel undervalued, seen as an "order taker" rather than as a professional who can shape your company's direction through your skills and expertise.

Yet, shouldn't it be a great time to work in market research? CEOs around the world say that they want their businesses to be more consumer centric. Of course they do. Without a growing and profitable consumer base, their company has no future. The abilities to understand consumer behavior, create products or services aligned with predictions, and successfully market them are foundational. We're guessing that you chose your field because you're interested in consumers and what makes them tick: why they do what they do, buy what they buy, and think what they think. If consumer centricity rules, then the need to provide great insights to support business decisions is at an all-time high. By rights, you're the most important department in your organization, so why doesn't it feel like that?

There are several reasons, the main one being that you're trying to make the business more consumer focused while dealing with fast turnaround times in marketing and product development. You have a conflict between the need to explore consumer preferences in depth and the requirement to do it in a way that doesn't hold up progress. That's not your fault; it's a product of the tools you're using, which prevent you from innovating. Traditional, full-service agencies are cumbersome and slow, and while a range of new providers have recently evolved to speed things up, they've also complicated the landscape. Where once there were only full-service companies, qualitative specialists, and panels, now there are also end-to-end

The Authors

Steve Phillips, cofounder and CEO of Zappi



Having worked across four continents during his career in consumer insights, Steve specializes in the use of technology to automate and improve the market research process. Prior to founding Zappi, Steve founded Tonic Insight, Tuned In Research, and Spring Research, where he led research teams to uncover new insights into consumer behavior around the world. His work on consumer purchase journeys has won multiple awards, and he's a regular speaker on the topic at industry events. He's also a published

specialist on behavioral economics, and his work on the impact this thinking has on market research won the ESOMAR Best Paper award. In addition, he was the recipient of the Best New Thinking award at the MRS Conference, the ARF Great Minds certificate, and the UK Industries Innovation award. As chair of the MRS Sustainability Council, he's passionate about moving the world of insights onto a fully sustainable pathway. When he's not building the world's leading consumer insights platform, Steve can be found on the cricket pitch or studying history.

Ryan Barry, Global President of Zappi



Having helped to start Zappi's US business in 2014, Ryan is now the company's global president, overseeing its operations across product, go-to-market, and scale. He's worked in the consumer data business for over sixteen years and, having consulted with hundreds of brands over that time, still sees the same mistakes being made. That is why he wants to help market research teams become more consumer centric by making access to consumer opinion easier and more efficient. Ryan is an advisory board member at Michigan State University and is on the Insights Association's IDEAtor program, a fellowship

program designed to encourage diversity, equity, and inclusion in market research. Outside of work, he's a family man who loves spending time with his wife and three children—either that or enjoying the great outdoors (preferably with a pair of skis).

Stephan Gans, SVP, Chief Insights and Analytics Officer at PepsiCo



Born in The Netherlands, Stephan gained a master's degree in econometrics, then joined Unilever as a marketing trainee. After fifteen years in their personal care and foods categories, he left to help build global marketing consultancy EffectiveBrands, which was eventually sold to the consulting division of Kantar. Three years at Interbrand in New York City as Chief Strategy Officer followed before he joined PepsiCo in New York as Chief Consumer Insights Officer, where he's been for the past six years. Married with four children, he and his wife are getting used to being empty nesters now that their youngest child has left home to study abroad. His favorite hobby is rowing, which involves getting up at horrible times like 5am.

Kate Schardt, VP, Global Insights Capabilities and Partnerships at PepsiCo



As a global transformation leader with over twenty years of marketing, insights, and analytics experience at PepsiCo and Nielsen, Kate's focus is raising the bar of creative and brand excellence. She places strong emphasis on delivering better returns on media investment and brand equity and on fueling consumer-centric growth from world-class innovation. Her role is to lead the digitalization of brand, advertising, and innovation insights through implementing game-changing partnerships and technology.

About Zappi

Zappi is the only market research platform that makes brands smarter the more they use it. It helps companies grow by delivering fast, affordable, and high-quality consumer insights. Through its agile market research platform, users can make every new product and advertising campaign better than the last by embedding consumers' voices into the development process. Each new data point feeds a constant learning loop that helps inspire new ideas, optimize early-stage concepts, and validate late-stage ideas.

The result? Businesses discover more over time and build a culture of learning, not testing.

Zappi was named the Best Marketing Insights Platform at the 2023 MarTech Breakthrough Awards and one of the hottest MarTech companies by Business Insider. Their award-winning culture has been recognized by Fast Company, Comparably, Quirks, Great Place to Work, and more.

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