4. Two complementary approaches to measuring marketing productivity are: (1) marketing metrics to assess marketing effects and (2) marketing-mix modeling to estimate causal relationships and measure how marketing activity affects outcomes. Marketing dashboards are a structured way to disseminate the insights gleaned from these two approaches within the organization.

# Applications

## Marketing **Debate**
### What Is the Best Type of Marketing Research?

Many market researchers have their favorite research approaches or techniques, although different researchers often have different preferences. Some researchers maintain that the only way to really learn about consumers or brands is through in-depth, qualitative research. Others contend that the only legitimate and defensible form of marketing research uses quantitative measures.

**Take a position:** The best marketing research is quantitative in nature *versus* The best marketing research is qualitative in nature.

## Marketing **Discussion**
### Survey Quality

When was the last time you participated in a survey? How helpful do you think the information you provided was? How could the research have been done differently to make it more effective?

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## Marketing **Excellence**

### >>IDEO

IDEO is the largest design consultancy firm in the United States. The company has created some of the most recognizable design icons of the technology age, including the first laptop computer, the first mouse (for Apple), the Palm V PDA, and the TiVo digital video recorder. Beyond its high-tech wizardry, the company has designed household items such as the Swiffer Sweeper and the Crest Neat Squeeze toothpaste tube, both for Procter & Gamble. IDEO's diverse roster of clients includes AT&T, Bank of America, Ford Motor Company, PepsiCo, Nike, Marriott, Caterpillar, Eli Lilly, Lufthansa, Prada, and the Mayo Clinic.

IDEO's success is predicated on an approach called "design thinking" based on a "human-centered methodology." The company strives to design products that consumers actively want because they offer a superior experience and solve a problem. In order to achieve these consumer-friendly solutions, IDEO tries to uncover deep insights through a variety of human-centered research methods. These studies help the firm better understand how consumers purchase, interact with, use, and even dispose of products. This customer-focused approach has run counter to the prevailing wisdom of many high-tech firms that focus more on their own capabilities when designing products. David Blakely, head of IDEO's technology group, explained, "Tech companies design from the inside out, whereas we design from the outside in so that we can put customers first."

IDEO employs a number of other observational methods to conduct "deep dives" into consumer behavior. The company's "human factors" team shadows consumers, takes pictures or videos of them during product purchase or use occasions, and conducts in-depth interviews with them to further evaluate their experiences. Another method is called "behavioral mapping," which creates a photographic log of people within a certain area like an airline departure lounge, a hospital waiting room, or a food court at a shopping mall over a period of days to gauge how the experience can be improved. A third method relies on "camera journals" that participants keep, in which they record their visual impressions of a given product or category. IDEO also invites consumers to use "storytelling" techniques to share personal narratives, videos, skits, or even animations about their experiences with a product or service.

Prototyping has also contributed to IDEO's success. It takes place throughout the design process so individuals can test out, experience, and improve upon each level of development. IDEO encourages its clients, even senior executives, to participate in the research so they get a sense of the actual consumer experience with their product or service. AT&T executives, for example, were sent on a scavenger hunt designed to test the company's location software for its mMode mobile phones. The executives soon realized the software was not user-friendly. One resorted to calling his wife so she could use Google to help him find an item on the list. IDEO helped AT&T redesign the interface to be more intuitive for the average user.

IDEO helped apparel-maker Warnaco improve sales by having its designers shadow eight women as they shopped for lingerie. The "shop-alongs" revealed that most consumers had a negative buying experience. They had difficulty locating the lingerie section in the department store and finding the right size in the overcrowded display, and they felt the fitting rooms were too small. IDEO developed a new six-stage merchandising environment that included larger fitting rooms, "concierges" to give shoppers information, and improved displays. Warnaco implemented this plan with the help of the department stores.

In another example, Marriott hired IDEO to help make its Courtyard by Marriott hotels more appealing to younger guests. IDEO conducted interviews and observed guests in the hotel's lounges, lobbies, and restaurants. Its research revealed that younger guests were turned off by the lack of activity in the hotel's public places, the lack of technology offered, and the poor food options. As a result, Courtyard by Marriott changed its furniture and decor to be more warm, comfortable, and inviting. The hotel added advanced technology options throughout its lobbies and lounges, such as flat-screen TVs and free Wi-Fi. Marriott converted the breakfast buffets to 24/7 coffee-shop-style cafés, where guests can quickly grab a gourmet coffee drink and healthy bite to eat any time. And Courtyard created new outdoor hangout spots with sound speakers and fire pits. After the renovations, Courtyard by Marriott changed its tagline to "Courtyard. It's a New Stay."

IDEO's novel consumer-led approach to design has led to countless success stories and awards for its clients and for the firm itself. The most important result for IDEO's designs is that they solve a usability problem for clients. The company goes "broad and deep" to achieve this goal. Since its founding, it has been issued over 1,000 patents, and in 2008 the company generated $120 million in revenues.

## Questions

1. Why has IDEO been so successful? What is the most difficult challenge it faces in conducting its research and designing its products?

2. In the end, IDEO creates great solutions for companies that then receive all the credit. Should IDEO try to create more brand awareness for itself? Why or why not?

**Sources:** Lisa Chamberlain, "Going off the Beaten Path for New Design Ideas," *New York Times*, March 12, 2006; Chris Taylor, "School of Bright Ideas," *Time*, March 6, 2005, p. A8; Scott Morrison, "Sharp Focus Gives Design Group the Edge," *Financial Times*, February 17, 2005, p. 8; Bruce Nussbaum, "The Power of Design," *BusinessWeek*, May 17, 2004, p. 86; Teressa Iezzi, "Innovate, But Do It for Consumers," *Advertising Age*, September 11, 2006; Barbara De Lollis, "Marriott Perks Up Courtyard with Edgier, More Social Style," *USA Today*, April 1, 2008; Tim Brown, "Change by Design," *BusinessWeek*, October 5, 2009, pp. 54–56.

# Marketing Excellence

## >>Intuit



Intuit develops and sells financial and tax solution software for consumers and small to medium-sized businesses. The company was founded in 1983 by a former Procter & Gamble employee, Scott Cook, and a Stanford University programmer, Tom Proulx, after Cook realized there must be a better way to automate his bill-paying process. For over 25 years, Intuit's mission has been to "revolutionize people's lives by solving their important business and financial management problems."

Intuit launched its first product, Quicken, in 1984 and struggled to survive during those first years. After some favorable reviews in the trade journals and an effective print advertising campaign, the company got its first break. By 1988, Quicken was the best-selling finance product on the market. In 1992, the company launched QuickBooks, a bookkeeping and payroll software product for small businesses, and went public the following year.

Intuit grew quickly in the early 1990s, thanks to the success of Quicken, QuickBooks, and TurboTax, a tax preparation software program. Intuit's products did something for small businesses that more complicated