

Decoding insights

A structured approach to applied research



- Insight, a frequently used term, lacks a clear, actionable definition in research.
- Professor Raj Sethuraman, Cox School of Business at Southern Methodist University, USA, offers a five-criteria framework for identifying true insights.
- Criteria include being definitive, evidence-based, current/future-oriented, novel, and actionable.
- This approach helps ensure research findings are credible and impactful.

In the realm of research and daily life, the term 'insight' is frequently used, yet often misunderstood. Professor Raj Sethuraman of Cox School of Business at Southern Methodist University, USA, has dedicated his work to unravelling the concept of insight, aiming to provide a structured definition that can advance the field of applied research. Sethuraman's research employs a comprehensive approach to define insight, the criteria that distinguish true insights, and the implications of this understanding for research and practical applications.

Insight is a term used in various contexts – from religious revelations to scientific discoveries and everyday experiences. Farmers may have insights about the

special interest groups – Sethuraman constructs a robust five-criteria framework. This framework aims to distinguish true insights from mere observations or common knowledge, ensuring that insights are definitive, evidence-based, relevant to current or future contexts, relatively new and deep, and possess actionable potential. This structured approach not only clarifies what constitutes an insight but also enhances the practical impact and credibility of research findings.

Findings and insights

According to Sethuraman, an insight must meet the following five criteria:

- **Statement:** An insight must be a definitive statement rather than a question, hypothesis, or hunch.
- **Evidence-based:** It should be grounded in theoretical or empirical evidence, not merely based on personal wisdom or intuition.
- **Current/future periods:** Insights should pertain to the present or future, offering foresight rather than hindsight.
- **Relatively new and deep:** The insight must offer new, profound understanding that is not widely known or obvious.
- **Action potential:** Finally, an insight must have the potential to inspire action, even if not immediately.

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best planting times, while psychologists uncover insights linking parenting and child development. Even in mundane activities, like a student's tip on the best time to find campus parking, we see the term 'insight' applied. But what truly constitutes an insight, especially in the field of applied research?

The research

Sethuraman's exploration into the nature of insight examines the diverse definitions and applications of the term across various disciplines. Recognising the ambiguity and subjectivity often associated with 'insight', he underscores the necessity for a clear, actionable definition that can be consistently applied in research contexts. By synthesising information from an array of sources – ranging from dictionary definitions and scholarly articles to perspectives from

Sethuraman illustrates these criteria through eight statements about Apple Inc and its products. He evaluates each statement to determine whether it qualifies as an insight based on his framework:

- *Apple products are mostly white and have rounded edges:* Not an insight – fails criteria of novelty, depth, and action potential.
- *Apple users live in many countries across the globe:* Not an insight – well-known fact, lacks actionability.
- *While Apple is the leading seller of Tablet computers in the US, Android is the leader in many other countries:* Potential insight if the information is new and deep to the audience.
- *Owners of the Apple iPad11 tended to be*



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among the first buyers of the iPhone15: Insight – evidence-based, new, deep, and action-oriented.

- *Standing in line for the new iPhone 15, one person commented, 'If Apple were selling groceries, I would be standing in line to buy them.'*: Not an insight – personal opinion, not evidence-based.
- *Experts predicted that consumers would shun the iPad because it did not have a flash player:* Insight if evidence-based; otherwise, merely a prediction.
- *Over 50% of iPad and iPhone consumers said low battery life was their biggest concern:* Insight – survey-based, action potential for improving battery life.
- *Girls aged 16 to 21 associated a sense of endearment with their iPhones and thought of them as their pet possession:* Insight – evidence-based, novel, and deep with marketing potential.

Impact and future structure

Sethuraman's structured approach to defining insight offers significant implications for researchers and professionals across various fields. By adhering to this framework, researchers can ensure their findings are not only credible and evidence-based but also impactful and actionable. This clarity can drive innovation, improve decision-making, and enhance strategic planning.

In future applications, this definition of insight can be refined and adapted to different contexts, ensuring its relevance and use. Researchers are encouraged to critically evaluate their work against these criteria to determine whether their findings can be classified as insights. This rigorous approach will help maintain the integrity of research and its contributions to knowledge and practice.

Sethuraman's exploration into the nature of insight provides a valuable framework for researchers and professionals. By defining insight

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with five clear criteria, he offers a pathway to advance research, ensuring that findings are not only enlightening but also actionable. As we continue to navigate complex challenges in various fields, this structured approach to understanding insights will be instrumental in driving meaningful progress and innovation.



Personal response

What inspired you to delve into the study of insights and develop a structured framework for defining them?

In 2010, as chair of the marketing department at Cox School of Business at Southern Methodist University, I decided to offer a new course called Customer insights to supplement the course on marketing research, which I was teaching for several years before 2010. Customer insights was a popular phrase and a course on this topic was appealing to students. But before I start teaching the course, I needed to know what insight is, and what it is not, so that I could prepare the course content. Insight is an abstract, somewhat elusive term. Everyone agrees gaining insight is important but they may not agree on what it is. There are hundreds of perspectives and definitions. So, I set out to do research on gaining insights into the term called insight! This framework is a culmination of that research.

Can you share a personal experience where applying your five-criteria framework for insights made a significant impact on a project or research finding?

My personal experience with the use of customer insights framework happened as far back as 2010 when I was preparing for the course on customer insights, briefly mentioned above. I presumed students are interested in learning about how to gain insights and that they know what they wanted from the course. I thought it was my insight, but it was really my assumptions – not evidence-based insight. So, I conducted a survey of students to ascertain their level of interest in a course on customer insights and what they expect/desire the content of such a course should be. A vast majority of the students expressed a high level of interest in the course but they were quite varied in what they thought such

a course should cover. Now I can call the statement – students are interested in learning about customer insights but vary in their opinions on what a course on customer insights should cover – as an insight because it satisfies all the five criteria in my definition. It inspired me to compile all their opinions to create a course that would be useful to the student body and their employers.

How do you see your framework being used by researchers and professionals across different fields?

Some persons may feel we do not need a formal definition or a framework for the term insight. Let each person label what they want as insight. We think such practices may be counter productive. Superstition is an example. Many people believe that 13 is an unlucky number. As a result, some residences do not have door number and/or floor number 13 or avoid them if there is one. Some even avoid having surgeries on the 13th of the month. There was a ghastly movie called *Friday, the Thirteenth* that ran eight sequels. Saying #13 reflects bad omen is one superstitious belief. You can have such belief if you wish to. But if you elevate it to an insight, you give it a false sense of credibility. We believe it is wrong and wasteful to do so (eliminate a number), without evidence. Our definition also inspires action in the field of science. Here we distinguish between basic science and applied science. For example, scientists found that litmus paper, made of cellulose, turns red when dipped in an acidic solution and blue when dipped in an alkaline solution. That great scientific discovery becomes an insight in applied research when the litmus test is adopted for detecting acidity in the stomach fluids of living beings. In other words, in applied research, a finding becomes an insight if it can be translated into action.

Details



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Bio

Raj Sethuraman is Harold Simmons Chair in marketing at the Cox School of Business at Southern Methodist University, Dallas, Texas, USA. He received his PhD in marketing from Kellogg School of Management at Northwestern University. Dr Sethuraman has taught 15 courses, published over 40 articles, and won several research awards.

Further reading

Raj Sethuraman (2018) *Transforming Market Data into Actionable Customer Insights*. This book was published by Professor Raj Sethuraman for classroom use, Chapter 1 (available on request from the author)