

What Exactly Is an Information Gap?

By Douglas Cox

A client I had worked with on several previous occasions called one day and asked me to come in to discuss a customer survey. His company was experiencing a noticeable decline in customer purchasing, and he was convinced he knew why.

A new competitor had entered the market and was stealing his business.

From his perspective, the explanation made sense. The competitor had arrived, purchasing had declined, and the two events seemed connected. He wanted to survey his customers to find out what the competitor was doing to attract them away from his company.

As we talked, I began asking whether there might be other explanations for the decline. Could pricing be an issue? Were customers having difficulty finding products in stock? Were there problems with employee interactions or some of the company's operating systems?

And, of course, what role was the new competitor actually playing?

He continued to believe the competitor was the source of the problem, but eventually agreed that, since we were conducting a survey anyway, it made sense to explore these other possibilities.

I'm glad we did.

As it turned out, the competitor was the least of his problems. The survey findings suggested that much of the decline in customer purchasing was associated with the company's own way of doing business.

Had we limited the survey to his original theory about the competitor, we might have missed the information he needed most.

And that brings us to the subject of information gaps.

What Is an Information Gap?

An information gap is the space between what we think we know about a business situation and what we have sufficient reliable evidence to know. It's the gap between the “what” and the “why.”

That may sound like a fairly simple concept. In many ways, it is. But recognizing an information gap, and understanding exactly what information is missing, can be more difficult than it first appears.

Consider a company experiencing declining customer retention. Management knows customers are leaving. The numbers make that clear.

But why are they leaving?

Perhaps prices are too high. Maybe the quality of service has declined. Perhaps customers are frustrated by delivery problems, or their needs have changed. Or maybe competitors are offering something the company doesn't provide.

Any one of those explanations might be correct. More than one might be contributing to the problem.

The decline in retention is something management knows. The reasons behind that decline are what management still needs to understand.

The difference between those two is the information gap.

And until that gap is sufficiently closed, decisions about how to address the problem involve a degree of uncertainty that may be greater than management realizes.

Why Information Gaps Are So Common

Every organization operates with incomplete information.

That's simply the nature of business. Leaders make decisions every day without knowing everything they might like to know. They rely on experience, judgment, financial reports, operational measures, conversations with employees, and feedback from customers.

Most of the time, that's entirely appropriate.

After all, a company cannot stop to conduct research every time someone needs to make a decision. Nor should it.

Information gaps can develop or go unrecognized in many different ways. Sometimes we assume we already know the cause of a problem. Sometimes we ask questions that don't go far enough. And sometimes we place too much confidence in information that tells us only part of the story.

Problems arise when the information available doesn't adequately explain what's happening, but the organization proceeds as though it does.

A sales manager notices a decline in orders and attributes it to pricing. An operations manager sees an increase in complaints and assumes employees aren't following procedures. A company president hears from several dissatisfied customers and concludes that customer satisfaction has deteriorated throughout the business.

Each explanation may be reasonable. Each may even turn out to be correct.

But reasonable and correct are not necessarily the same thing.

It's natural for people to interpret new situations through the lens of their previous experience. When a problem resembles one we've encountered before, we tend to look for a familiar explanation.

Information gaps can also go unrecognized when leaders rely too heavily on what they hear from a relatively small number of people. A company president may regularly talk with several important customers who seem quite satisfied and conclude that customers generally feel the same way.

Those conversations can be valuable, but they may not reflect the experiences of the broader customer base. The problem isn't listening to those customers. It's assuming that their experiences represent everyone else's.

And when several people within an organization agree on an explanation, it can begin to take on the appearance of an established fact.

Over time, an assumption may become something everyone simply knows.

The difficulty is that agreement doesn't constitute evidence. Neither does experience, regardless of how extensive that experience may be.

Experience is valuable because it helps us recognize possibilities and ask better questions. But it doesn't always tell us which explanation is correct in a particular situation.

The most expensive assumption may be the one everybody in the room agrees with.

Sometimes We Think We Know the Answer

My client who blamed his declining business on a new competitor is a good example.

He wasn't being unreasonable. A new competitor had entered the market, and his sales had declined. It was entirely possible that the two events were related.

His mistake was not considering the competitor as a possible explanation. His mistake was treating that explanation as though it had already been established.

Once he reached that conclusion, the purpose of the survey became finding out more about the competitor rather than understanding all the factors that might be contributing to the decline.

That's an important distinction.

Research designed primarily to confirm an existing belief can overlook evidence pointing in other directions. Even when the questions themselves are well written, the survey may not be asking about the things that matter most.

Fortunately, my client was willing to broaden the investigation.

Instead of focusing exclusively on what competitors might be doing, we asked customers about their experiences with his company. The findings gave him a very different picture of the situation and directed his attention toward problems he could address within his own organization.

The information gap wasn't whether a competitor existed. Everyone knew that.

It was understanding why customers were purchasing less.

Sometimes We Haven't Asked a Useful Enough Question

There is another way information gaps can remain unaddressed, even when a company recognizes that it needs more information.

I once worked with a client who wanted to conduct a customer satisfaction survey. His primary objective was to establish an overall satisfaction score for his company.

That was a reasonable objective. An overall satisfaction score can be a useful performance measure, particularly when a company wants to track customer satisfaction over time.

But as we discussed the survey, I encouraged him to think about what he would do with the results.

Suppose the survey showed that 85 percent of his customers were satisfied. That would certainly sound encouraging. But what would he know about the customers who weren't satisfied? What was causing their dissatisfaction?

Or suppose only 60 percent were satisfied. He would have reason for concern, but what would the score tell him about what needed to change?

Even a very favorable score might conceal particular weaknesses in the customer experience.

We eventually agreed to include questions that would help explain the satisfaction results rather than simply measure satisfaction.

The distinction is worth remembering.

Knowing where you stand isn't necessarily the same as knowing what to do next.

A satisfaction score might close one information gap while leaving a more important one open.

That doesn't make the score useless. It simply means we need to think carefully about what information will be required to support the decisions that follow.

More Information Doesn't Always Mean Better Understanding

Organizations today have access to an extraordinary amount of information.

Sales reports, customer databases, operational dashboards, financial statements, website analytics, and other sources can tell leaders a great deal about what is happening within their businesses.

But having more information doesn't necessarily mean having a better understanding of a particular problem.

A company may know precisely how much sales have declined, which products are affected, and which customers are purchasing less frequently.

Those are important facts.

But the reports may not reveal whether customers are dissatisfied with pricing, unable to obtain products when they need them, frustrated with service, or simply purchasing less because their own circumstances have changed.

The company has information. What it lacks is the particular information needed to explain the problem.

An information gap isn't always the absence of information. Sometimes it's the absence of the right information.

This is why I believe defining the information gap is such an important early step.

Before asking what data to collect, we need to ask what we don't yet understand.

What do we already know? What are we assuming? What alternative explanations should we consider? And what evidence would help us distinguish among those possibilities?

These questions help move an organization from collecting information to collecting information for a purpose.

Closing the Gap

Once an information gap has been identified, the next question is how to close it.

Sometimes the necessary evidence already exists somewhere within the organization. A closer examination of operational records, customer histories, financial data, or other available information may provide the answer.

In other situations, the missing information concerns things that internal records cannot adequately explain.

What are customers experiencing when they do business with the company? Why do some employees leave while others remain? What causes customers to choose one provider over another? Which aspects of a product or service are creating frustration?

These are situations where a properly designed survey can be particularly valuable.

But the value of the survey depends on more than simply asking people questions.

It begins with understanding the business problem, identifying the information gap, and determining what evidence will help close that gap.

Only then can we make informed decisions about whom to survey, what to ask, and how the information should be collected and analyzed.

I often think about the process as a simple progression:

Business Problem → Information Gap → Survey → Reliable Evidence → Better Decision

The survey is not the starting point. It's a means of obtaining information that may be missing.

And it isn't always the appropriate means. The important thing is selecting a method that can provide reliable evidence relevant to the decision at hand.

Nor does research necessarily eliminate all uncertainty. Business situations are often complicated, and evidence may suggest several contributing factors rather than a single, definitive explanation.

The objective is to reduce uncertainty sufficiently to make a more informed decision.

Before You Decide, Consider What You Don't Know

Every business leader has to make decisions with incomplete information. That's unavoidable.

What matters is recognizing when the missing information could materially affect the decision.

If customer purchasing is declining, it's reasonable to consider the competition. But it's equally important to consider whether the organization itself may be contributing to the problem.

If customer satisfaction is a concern, measuring satisfaction may be useful. But understanding the reasons behind that satisfaction or dissatisfaction may be far more valuable.

And when everyone in a meeting agrees on what's causing a problem, it may be worth asking what evidence supports that conclusion.

Information gaps don't always announce themselves. Sometimes they're hidden behind familiar explanations, long-held beliefs, or numbers that appear to tell the whole story.

The danger isn't simply that we don't know something. It's that we may believe we know it when we don't.

No information leaves us uncertain. Bad information can make us confidently wrong.

Before making an important business decision, perhaps the most valuable question a leader can ask is:

What do we think we know about this situation, and what do we actually have the evidence to support?

The answer may reveal an information gap worth closing.

About the Author

Douglas Cox is President of Accurus Research and has more than 40 years of experience in survey research. Today, he helps organizations strengthen their survey research capabilities, close critical information gaps, and turn reliable evidence into better business decisions.

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AI Disclosure: This article is based on Douglas Cox's professional experience, knowledge, and perspectives developed over more than 40 years in survey research. AI was used as a supplementary tool for organizational and editorial assistance. All core ideas, insights, judgments, and conclusions are his own.