# SIZE DOES MATTER- BIG DATA MARKETING

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## ABSTRACT

*While big data sounds very recent but its roots, gathering and storing large amounts of data for analytics is ancient. This started gearing up a decade back. For marketing organizations, big data is the fundamental consequence of the new marketing landscape – everything online! In the light of the above, the current paper focuses on Defining, Classifying, Significance of Big data to explaining its importance to Marketing firms, Challenges faced by them, how marketing insights can be drawn and concluding with the advantages with an illustrative case study.*

**Keywords:** *Big Data, Big Data Marketing, Significance of Big Data, New Marketing Landscape*

## INTRODUCTION

Now-a-days the data analytics run on three items: Big Data! Big Data! Big Data! While big data sounds very recent but its roots, gathering and storing large amounts of data for analytics is ancient. This started gearing up a decade back. For marketing organizations, big data is the fundamental consequence of the new marketing landscape – everything online!

### What is Big Data?

Big data as we call is just not "Data" but also comprises the 3Cs - Capabilities to Challenge(s) with Competency. The Big data analytics is expected to support a level of decision making that is more accurate and timely!

The Big data refers to multidimensional information that is based on the following metrics

- **Ever increasing Size of the data:** Data flows from various sources like Industry feeds, Sales Feedbacks, Sales Force Analytics, Daily Transactions, inputs from Social Media etc. Now a days technology has made this tasks easy with tools/technologies like Hadoop.
- **Pace at which data flows:** For example the data movements or speeds in OTC Markets/Exchanges is tremendous and must be dealt in a structured way using algorithms and within a high timely manner. In other industries the Radio Frequency Identifications Tags (RFIDs) and Sensors are driving the need to deal with high currents of data in near-real time.
- **Diversity of the data:** Data flows in all formats raging from FTPs to Text, including but not limited to Numeric, Excel files, Structured or Unstructured, Emails, Audio and Videos, Daily closing data from Stock exchanges to numerous financial transactions.
- **Regular Vs Peak/Seasonal Data:** Data flows are highly inconsistent based on the seasonality. Consider market intelligence providers. They have peak months where in receiving enormous data from the exchanges or filing regulators, and off season for the rest of the year. Data inflow range from Hourly, Daily, Monthly, Quarterly, Semi Annually and Annually. These seasonal data loads and/or event driven data loads are challenging to manage.
- **Density:** Data flows from multiple sources as discussed above. It becomes highly complicated to Cleanse, Sync, Link/Create Hierarchies, Streamline, Correlate and Transform data in a Standardized way across systems.

## CLASSIFICATION OF BIG DATA

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Having seen how the big data varies from type of industry to industry above, let's categorize the big data

- The Financial big data category includes but not limited to market intelligence and real time stock market data, and on the other side revenue, profits and other critical data that measure the financial strength and health of the company.
- The Operational category includes target metrics measuring resources deployment, budgetary control, other Asset managements, and ultimately the quality of marketing operations etc.
- The Customers big data category gets inputs from POS terminals, Survey responses, Website/Page clicks, Social media and other online groups/communities.

**Why Is Big Data Important for Marketing?**

Marketing is also ever changing these days. Now one size does not fit for all those good old days' campaigns, measuring survey responses and email blasts. Today customers are expecting greater proximity and personalization on the brands they use. Hence, the big data concept comes into picture.

To understand its significance, let's try to compare what we used to do a decade back and now. We were with POS data, Survey Responses, Coupon Campaign data etc. And now in the everything digital scenario-online sales, click-throughs, browsing trends, social media campaigns, Mobile Application Data, and Device usage data, location (GPS) data etc. Now to start comparison strangely there is nothing to compare!

So, mere having big data doesn't automatically lead to smart decision making or marketing. Now it is evident that it's not the data itself that's so important. Rather, it's the insights derived from it actually make all the difference. Hence, the focus ultimately shifts from how much and what data you have to what you actually do with it.

Thus an integrated marketing management strategy combined with big data enable organizations to

- React or offer the customer many options based on his/her buying habits
- Do a root cause analysis
- Estimate risk product portfolios in no time
- Detecting loop holes or behaviours that may adversely affect the company.
- Reduce cost and time required
- Start new products and offerings
- Finally smart decision making with Big data analytics
- Engage the customer not by simply knowing the customer. It lets us to know their location, need/want, and how and when they want to be contacted, how to retain the loyal customer by knowing what influences them etc.
- Optimize the performance spread across multiple channels and Control effectively through testing, measurement and analysis.

**CHALLENGES FACED BY MARKETING STREAM**

As most Analytic systems do not focus or aligned to facilitate marketing firm's data, processes and decisions, it becomes challenging for the marketing firm to make effective use of big data. Following are supposed to be biggest challenges are:

- Gathering required data – having large amount of data not necessarily facilitate good analytics and decision making but what matters is having right data.
- Then starts the actual work – Selecting the right analytical tools that can help to aggregate and analyze data.

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- Next step is to transform the insights into impacts that positively affect firm's marketing programs there by turning them to yield profits.

## BIG DATA AND MARKETING INSIGHTS

Big data provides insights into which content is the most effective at each stage of a sales cycle. Marketing firms can know how to make an informed investment improving Customer Relationship Management (CRM) systems.  Today Big data analytics based on Customer data is making it possible for marketing firms to deliver consistent, versatile and single point channel for customer experiences.

The big data analytics is revolutionizing the marketing and sales. Basically how prices are defined, managed, propagated through selling networks and optimized is an area seeing rapid gains. Pricing analytics is experiencing sophisticated advances using big data algorithms which help the marketing firm to attain price optimization for a given product or service. Today Big data is contributing to sales with increasing the quality of sales leads, location planning, determining wining rates and engaging decision maker strategies.

## CONCLUSION WITH AN EXAMPLE CASE STUDY FOR ILLUSTRATIVE PURPOSES

The market intelligence is one of the highly competitive areas in today's world. Many bigwigs operate there, such as Bloomberg, S&P, Thomson Reuters, Factset and IPREO and many more. These firms deal with huge volumes of data providing market intelligence and analytics to make informed smart decisions in the financial markets. And retain customers is a never ending challenge for these firms.

We see how Big data can help these firms to focus on its customers. Let us assume these firms have an organized process and analytics infrastructure to leverage their data assets, to improve marketing Return on Investments and the customer experience and to drive long-term customer value.   In such a case, a customer lifetime value model helps these to begin wring more value from its data.

Institutional and investment banks are usual clients to these firms. And big data analytics projecting how long and loyal a client would be with the firm generating a good profit to the firm? In addition, understanding the dynamics of client needs, the relative value of clients helps differentiate customer service solutions. And it helps the company make more informed decisions. In addition, segmenting clients as per their needs and offering suitable and customizable products and services can make the firm more success-able.

One last word, big data is a term that describes the large volume of data that inundates a business on a day-to-day basis. But as said it's not the amount of data that's important. It's what organizations do with the data that matters.

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