

Big data and marketing: curse or cure?

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**CAPTURING CUSTOMERS: Data Insight and Valocity
director Carmen Vicelich**

When a company breaks into using big data, it can turn out either creepy or clever – maybe both. But data is also changing how marketers operate, and not always in a good way.

For instance, if a marketing team sets up an algorithm or analysis to capture customer data and churn out answers to what the customers say they want, the incentive then might be to lean back in the chair and let the system's incredible technology do the selling. Time for a coffee.

Valocity and Data Insight director Carmen Vicelich says first, data must be captured. Without knowing the customers, it is impossible to offer other products, predict repeat selling or upsell. That's why "every company should capture who their customers are and build a process that makes them want to tell you more about them."

This is the trend to give the people what they want, but it looks suspiciously like a cart-before-the-horse problem. As the history of advertising shows, almost no one knows what they want until a marketing campaign is built to tell them.

After all, is it really true people wanted an iPad? Critics pointed out the market offered laptops and mobile phones, but no one needed something in between. Yet a whopping 338 million iPads have been sold since 2010.

Now, marketers may be forfeiting their important role to create that "want" in customers by relying on data. Mrs Vicelich says while customers don't know what they want for some things, customer expectations for service and experience are paradoxically higher than ever.

"This is due to some of the amazing experiences global brands are providing their customers and leading the charge by creating expectation amongst everyone. The model is dual in that companies need to be both reactive to the 'want' as well as proactive to the 'needs' by removing friction from the process of dealing with them – hence the rise of digital innovation.

"I'm sure we all have an example of a company which is too outward-looking – rather than viewing things from the outside-in – as a customer and failed to deliver. Kodak is a classic example of a brand that didn't want to forfeit its power so their customers forfeited them," she says.

Swimming with the flood

This tide of customer data isn't going to stop, so companies are best advised to turn around and swim. Everyone with a device now can

help complete the customer experience feedback loop with businesses in a way never before available, and allowing businesses (and even those same customers) to learn more about their desires. But for marketers, if everything is captured, will any lessons be remembered? Intent Group director Ian Walsh wonders whether how marketers sell today creates a pattern whereby they don't realise how bad they are at their job because the technology keeps improving in parallel, circumventing and obviating their need to reassess basic sales fundamentals and their selling weapons get blunter.

"You can ask customers for their ideas, use direct messaging, email and social networks and say 'wow I'm a great salesperson, look how many sales I have,' without realising that it's actually the technology doing that for you.

"If you weren't in the sales chair, the product would probably still sell. The processes of good selling haven't changed, but marketers may not be practising those skills because the technology makes it look as though they're getting success," he says.

Even the metrics of what defines success are changing too, says Mrs Vicelich. Artificial Intelligence isn't really all that new but these large data sets certainly are. And the so-called Internet of Things is a "massive revolution we'll look back to as an incredible leap forward," similar to the industrial revolution, she hypothesises.

"It gives all our gadgets and machines a brain. That's extremely powerful for having a two-way conversation with customers. It means we can harmonise a customer journey through virtual, social, mobile and physical. And bring it together with speed and efficiency."

Skill and creativity needed

"Data is now excitedly at the top tables. Boards and chief executives are recognising that data has value," Mrs Vicelich says.

"This means there is greater investment. And they're realising that in order to compete, data is fundamental. Getting closer to customers requires breaking down silos, products, channels and systems and making the business more customer driven."

New Zealand client services manager Jamie Graham says data should be used as a tool to augment marketing skills. It's about understanding the value of the data asset to create a single source of truth.

“Every part of a business holds specific data sets which need to be combined and shared across the business to ensure it can provide the right experience to the customer, at the right time.”

Mrs Vicelich says marketers have to remember data is just that – data. Skill and creativity are still needed to turn the data into something meaningful.

“You can determine a metric or trend over time, but you also need to dig into the why, what and how and extract the actionable insights of ‘so what,’ which is where the magic is. That’s why I believe today’s marketers require both right- and left-brain thinking, as well as data and technology. Human skills and creativity are needed to tell the story,” she says.

“It’s not that data collection is affecting today’s marketer’s ability to think creatively – they’re still thinking creatively but not leveraging the data. Data still seems complicated to some and out in the ‘too hard’ basket.”