

Big Data = Big Fad?





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Big data = big fad?

Two years ago everyone was talking about social media and marketing potential. Last year it was Cloud computing and how flexible IT resources could be used to improve business efficiency.

This year, the “hype” technology is “Big Data”, seen by many as the panacea for all future marketing campaigns. So what is Big Data, why does it matter and do you need it?



What is Big Data?

Most businesses have a number of computer systems that they rely on to run certain aspects of their business. Accounts payable will have an accounts system, sales has a CRM database, service has a system for recording support calls etc. A place for everything, and everything in its place.

Big Data is, as the name implies, all about large volumes of data. Using advanced data storage technologies, companies migrate all of their existing data stores into one giant data warehouse, effectively making everything they “know” available in one place.

“ Big data is high-volume, high-velocity and high-variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision making. ”

Gartner IT Glossary.

Sophisticated analytical tools are then used to query the data to identify trends and opportunities that may be otherwise missed or which are not visible when data is kept in silos (accounts system, CRM system, service system etc). Big Data tools also allow for real-time data views, allowing for new opportunities to be identified and acted upon, keeping you ahead of the competition.



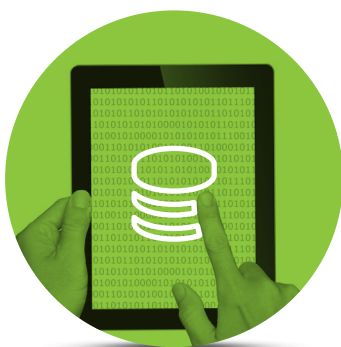
Why does Big Data matter?

Big Data has applications both inside and outside the business, but for the marketer, the focus is on creating a holistic view of each client which can then be used for finely targeted marketing and sales campaigns. Even before the advent of Big Data, marketers realised that campaigns targeted at individuals based on their preferences and interests generated bigger successes than scatter-gun sales tactics.

The key selling point of Big Data for marketers is that by giving a clearer picture of the customer, creating relevant campaigns becomes easier and even more effective.

“ Using large amounts of data allows you to suck subjectivity out of a system and make better decisions as a result. That has huge implications not only for technology but for all kinds of businesses. ”

Michael Rosenbaum, Director, Catalyst IT Services.



Is Big Data essential?

If you are talking with a Big Data vendor, the answer to this question will always be an unequivocal yes. But what about smaller businesses who lack the budget or resources for a full-scale Big Data deployment?

Having a massive data store and advanced analytics tools does offer marketers everything they need to potentially unearth new opportunities.

Although Big Data has many alleged benefits, some analysts are more cautious regarding the technology, suggesting that the returns on investment may not be as great as expected.

42%



“ 42% of agencies claim that demonstrating an ROI on Big Data investment is difficult, or very difficult. ”

Federal Computer Week.

70%



73%



91%



“ 70% of respondents were concerned with making sense of all the data. Moreover, 73% were concerned with integrating data in a cross-channel fashion, and perhaps most significantly, a considerable 91% were concerned with driving ROI from Big Data. ”

33Across social marketers survey.

“ Massive quantities of data add cost and complexity to every kind of analysis, often with no meaningful improvement in the results. Indeed, data quality problems and slow data processing are almost certain to arise, actually hindering the work of data analysts. It is far more productive to invest resources into thoughtful analysis of modest quantities of good quality, relevant data. ”

Meta Brown – Business Analytics expert.



Are there any alternatives to Big Data?

Your business may not be in a position to launch a Big Data initiative immediately, but this does not mean you cannot already create targeted marketing campaigns. If Big Data relies on data you already have, then you may still be able to generate similar results.

Technologies like application integration can be used to query existing datasets without the need to move everything into a giant data warehouse for instance. Developing a system to perform this kind of linkage will not be as efficient as a Big Data alternative, but the costs may be lower.

The bargain basement approach to creating a holistic overview of your clients is to manually analyse information in each data set. This process is time-consuming and probably requires expert data retrieval skills, but there may still be enough value recognised to justify the investment.

There also remains the option of using whatever little data is already in place to get started with in-depth analysis immediately. In this way businesses can recognise immediate benefits without having to wait whilst they acquire vast datasets first. Organisations can then supplement their existing datasets and analyses with more information as and when it becomes available as part of their drive towards a true Big Data solution.



The most important factor

Although planning for future data expansions is important, using the information you already have is critical. Using whatever information you already have will generate far greater returns now than dreaming up a campaign based on data you might have at some point in the future.

By applying some creativity to the data you already have available, it is always possible to create new opportunities where none previously existed. Customers can always be segmented to bring a targeted focus to email marketing campaigns, such as:

- **Previous purchase history.**
- **Geographic location.**
- **Age and gender (where appropriate).**
- **Sales queries that were never closed.**
- **Abandoned shopping carts.**

Segmentation based on existing data allows your marketing team to remain productive and always results in more sales than waiting for a new database, or hoping that clients come to you unprompted.

“ Most data science is not brain surgery and requires only a simple understanding of some basic methods of data collection and analysis. I call it “localbrew data”: data made by locals, for locals, to solve local issues. It does not need to be bleeding-edge analyses on par with top academic research. It only needs to answer the question, even if it is just with a map. ”

Chris Albon, Director of Data Projects, Ushahidi.

Remember

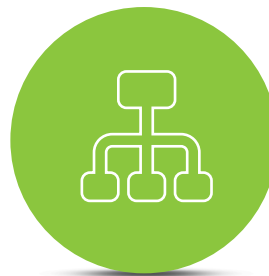
Big data means better targeting and therefore more efficient campaigns. However, you may be able to generate similar results by using what you already have intelligently:



Using application integration to query existing datasets.



Manually analysing information in each data set.



Segmenting data for improved targeting.



Existing data sets can yield immediate results - there is no need to wait until you have 'Big Data'.



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