

# You don't just need data, you need the right kind of data

By [Jason Haddock](#)

5 Nov 2014

Almost everyone you see is digitally connected in some way, whether it is via a computer, tablet or cellphone. Any information that you need is constantly at your fingertips, whereas in the past, this wasn't the case. Digital connectedness has raised consumer expectations everywhere.



This change has not only caused a disruption in the way consumers engage with the digital world around them, it has also caused a disruption in the way in which consumers consume information. Traditional advertising, though relevant, is losing ground to digital marketing.

The consumer sits at the heart of a digital marketing strategy and the 'shotgun approach' to targeting consumers is no longer good enough. Instead, marketers are realising that an improved strategic approach aimed at speaking to each consumer individually is required.

This has raised the game for retailers across the world and in South Africa. Whether it is a traditional bricks-and-mortar retailer or an online retailer, all businesses want to understand you, the consumer, better in order to market to you more effectively. As Seth Godin once said, "Customers don't buy what they need, they buy what they want. Gather as many insights as possible by observing what they do. Asking them is not as valuable as observing them."

## Context is needed

Data sits at the heart of a retailer's ability to know more about you. However, data alone is not very useful. Context for the use of the data is required. For example, buying a tub of margarine and bread at your local store may seem like a logical combination. However, you tend to buy bread more often than you do margarine. This data in isolation is not very useful and could even become a hindrance - imagine if every time you want to buy bread, the store recommends you buy margarine too ...

So data itself is not enough; it needs insights and context. If, for example, your shopping habits were combined with a number of other shoppers' buying habits and the retailer knew your demographic information, perhaps then you would start receiving better recommendations. If the majority of consumers who buy chicken breasts also buy cheese sauce at the same time, then this information becomes useful because it allows retailers to design their stores so that these products are co-located closely together, which makes a more convenient shopping experience for the consumer and better sales for the retailer.

Yet even this basic data is still not enough. With the rise of social media there is a huge amount of highly valuable personal data online: your interests, friends, key dates in your life and, most importantly, your brand affinities. This information can further improve recommendations to you as a consumer; it also helps retailers understand what your communication preference is, be it email or telephone. This data starts to assist retailers in understanding how you behave as a consumer and creates a deeper understanding of each consumer on an individual level.

Retailers are slowly beginning to realise that they have information about you, the consumer, sitting in a number of places. They may have some sales data because you have a loyalty card and have purchased products in store with this loyalty card. They may also have some further information about your online buying habits, and via their engagement with you through their call centres and emails. Because this data currently sits in silos within retail companies, as a result, retailers do not understand you - hence the need to integrate and manage this data intelligently.

## Constant visibility

Retailers want to know about you and want you to know about them, constantly. This emerging model of constant visibility across various channels is known as omni-channel retailing. The omni-channel way of doing business is driven by demanding consumers who have become accustomed to having information readily available. In response, retailers are now providing a consistent customer experience, whether you are buying in a store, or from their online website. Better yet, you should be able to go into a store and if they do not have the item you want available they can order it online and it will be delivered to your home.

At the heart of this, new way of doing business lie in data and analytics. These are fast becoming the key tools for every business to have and every customer to be aware of. The Mammoth BI 'big data in action' conference is at the Cape Town International Convention Centre on 17 and 18 November 2014. The event intends to break myths that surround big data and business intelligence for consumers, small businesses and major corporations.

The two-day conference is divided into one full day of talks and another for interactive workshops. The talks will be presented by experts in data analytics; including Eric Siegel, Founder of Predictive Analytics World and top-selling author of *Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie or Die*; Theo Priestly from the UK; and Barry Diepeveen (partner of Ernest and Young). The interactive workshops will be hosted by Eric Siegel, Microsoft, Marc Smith, and IS.

For more about Mammoth BI, go to [www.mammothbi.co.za](http://www.mammothbi.co.za).

## ABOUT THE AUTHOR

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