

# Behavioral Implications of Big Data

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By S Ramesh Kumar and Sairam Krishnamurthy

As the marketing scenario has changed radically, the digital connect and Big Data is likely to be important aspects of a brand's strategy 's foundation. The brand manager's job has become that much more challenging given the situation that the role will have to not only obtain insights from primary data but also from the Big Data. There is yet another dimension to digital marketing, with modern retail outlets coming into the fray in a significant manner.

Brands are already treating this channel with a great deal of reverence as the channel is likely to become futuristic.

While kirana stores are here to stay, the emergence of omni channel, may present a an altogether new opportunity for the large format retail outlets. One of the authors had seen the kirana stores in a housing community that is about 2 to 3 Km from the nearest super market (that is not large in scale) in one of the metros, carrying the logo of a prominent brand of modern retail outlet . The slightly bigger kirana, larger than a typical one had several products and stock keeping units supplied by the modern retail brand.

There are various reasons why the present scenario requires specialists who are adept at Big Data and consumer behavior.

\*An insight is something that a consumer is unable to articulate in surveys and other field investigations and qualitative research that can probe into unarticulated needs requires a high degree of knowledge of consumer behavior, as it delves into the sub conscious of the consumer. For instance, when asked about better moisturizing effects in a bar soap, the consumers may provide the response, but this attribute may or may not be an important part of the brand's proposition. The consumer may respond because she is queried. E Bay the famous online portal was created by the founder when he did not find what his fiancé wanted through classifieds. This insight brought in a new online wave and gave raise to several such online portals. A piece of research published in Journal of Consumer Behavior makes a mention of the consumer's desire to have three tiers of loyal programs so that they could feel better about the self if such specialness is practiced while categorizing loyal consumers! This example is not about Big Data but about the increasing potential to incorporate value adding strategies for a brand, taking into consideration, the behavioral insights .

\*Big Data enables a marketer to explore data that may pinpoint a pattern that may be useful. Besides the dormant needs of the consumer, Big Data provides an opportunity to analyze not just the intent to buy as in traditional approach; it can open- up new ways to act on the purchasing acts that may not be observable otherwise. And with the advantage that there is a clear data base of consumers who may be approached if they desire having a long- term

relationship with the brand / modern retailer. It can be a win-win situation for both the consumer and the retailer. What starts off as transactional marketing can become a robust relationship marketing, a potent weapon for a brand in today's world of shifting loyalties.

\*With several modern retail outlets springing up and large brands getting into the market, Big Data also enables a retail brand to know where its competitive edge can be identified through its strength and limitations. There may be two large retail outlets in a vicinity (in a city like Bangalore) and both these brands would have their strengths and limitations besides the "common merchandise". It is important for a brand to capture a pattern that would be most useful to it from the viewpoint of comparing its competitor. Observing and analyzing the Big Data can enable a brand to decide how unique its loyalty program has to be to have a long term impact on its loyal consumers.

### **Behavioral Insights from Big Data as captured from the realities of the market**

The authors would like to provide an example to reflect the importance of the article's theme to marketers. In today's context there may no longer be compartmentalized categories in a consumer's mind. Mindscape is full of competitive offerings and clutter. The consumer looks for economy, promotional offers, ads of specific brands, stock keeping units available at the point of purchase and the availability of the brand, in a sustained manner to name a few factors. When close offerings compete with one another in terms of substitutability, the consumer may try a few stock keeping units of several offerings before settling down to one or more brands.

The consumer may even alternate between the brands. Let us take for instance health offerings for growing children – the range covered can be across categories like the heavily advertised milk additive brands, healthy cookies, cereals that promise several healthy ingredients and local packaged grains that carry the proposition that they do not have chemical additives. Later the market may also see a cooking kit that has all the ingredients for a healthy offering. Incidentally, the mother will also have the satisfaction that she had part taken in the wholesome serving served to her children, besides the nutritious proposition made by such a brand, the guilt feeling of the mother is also addressed in a context that has working couples. In such a scenario, it is the Big Data that throws light on several aspects of consumption, stock keeping units sold across the categories, feasibility of loyalty segments and promotional offers (to name a few relevant factors) and therefore the profitability possibilities.

Digital marketing and Big Data does not function in isolation, as mindsets matter. S Ramesh Kumar is Professor of Marketing at IIM Bangalore and Sairam Krishnamurthy is CMO at More Retail Private Limited.