White Paper

Trending Now:

Think Big. Think Data. Think #2017BigDataPlan.

Data scientist – perhaps the trendiest buzzword in today's business environment. The way they are able to dissect data and produce actionable insights is unfathomable. It's also necessary. But chances are, your job title doesn't fall under the data scientist category. More than likely, you work in marketing, customer service, finance or even run the whole operation. Regardless of whether data is in your title, it's 2017, and we are all responsible for leveraging data to make smarter business decisions and improve our customers' experience.

It's never too early or too late to work on your "2017 Big Data Plan." Think of it as New Year's resolution. But one you'll actually set out to finish. And at the end of it, you can vastly improve the return on any investment. A detailed data plan enables you to remove opinion and only focus on the facts.

"Your opinion, although interesting, is irrelevant."

- Pragmatic Marketing

Data can come into play at any moment. A good example is two recent experiences I had with online orders.

First, a little about me as a consumer. I have a baby that is less than a year old. From a data perspective, that tells you two things about me:

- I am spending a ridiculous amount of money on a member of the household whose needs and sizes change, what feels like, daily.
- I shop online. If you have ever brought a 9-month-old to the store, you understand how living in the age of online shopping can be a glorious thing.

As a result, there is something arriving on my front porch for the baby a couple of times a week. Most of the time the transactions are seamless; I pay for goods, they arrive, we consume. But not always.

This week I had two orders: one from a major big box store, and another from a small business across the country. Both included items that were slightly different than what I ordered. So what happened when I contacted both of these merchants?

- The big box store went over the top. They shipped out a replacement immediately, told me to keep or donate the original item (a box of diapers) and sent me a $10 gift card. Total value to me was a $50 gain for their mistake.
- The small business did not do as well. They apologized very nicely, offered a full refund, but told me I needed to pay for return shipping. The item was small, so the estimate was $2.60.

Opinions of who did a better job at customer service are irrelevant. When you think about this scenario at scale, the bigger question is, "Is there data to tell us who did a better job?" Is the cost of going "over-the-top" efficient for a business or wasteful?

Clearly, majority consensus would be the big box store went above and beyond to earn my loyalty. But as a data professional, did the big box store really need to deliver $50 of additional value for their small mistake? Truthfully, I would've been happy with just the gift card.

As someone who works and talks about data every day, my curiosity peaked. I immediately called a colleague who has worked on complex analysis for the last 30 years for hundreds of big brands. I asked him if any clients have evaluated the ideal value (refunds, gift cards, paying for shipping, etc.) for making things right with a customer after an order error in relation to the order size or customer information. Unfortunately none.

That's the trouble with Big Data. Brands have it, but it's just too big.

My Big Data Plan: Correcting a poor purchase experience efficiently

To effectively evaluate the costs and revenue associated with a customer service interaction a brand would need to collect a great deal of internal data:

- The original transaction details
- The cost of the "make-good" (product costs, shipping, etc.)
- The cost to maintain the program (your staff responding to the chat, email, social media engagement)
- Any survey results associated with the performance of the program
- The customer's prior purchase behavior
- The customer's purchase behavior for a post-period
- Any additional third-party data that can round out what you know about the customer (ex: 'New Mom')

Unfortunately, even in the age of Big Data, not all data will be available for analysis. As data-driven professionals, we have to identify data gaps in order to determine if they will be showstoppers down the line.

- User level purchase data for manufacturers that don't transact directly with their customers (ex: CPG purchases)
- Social media impact of a negative or positive review (Who posted, who are their friends/followers, and did their friends/followers change their buying behaviors based on what this person shared?)
- Word of mouth impact, similar to the above, occurring in a non-digital format

Some of this data may be available by working with partners or vendors. But pieces will inevitably be missing from your big picture that will need to be filled with educated assumptions in order to move forward with analysis.

Developing your 2017 Big Data Plan

Answering a straightforward question takes a great deal of data from a variety of sources, and a great deal of planning. And not all questions are worth the time and expense to answer them. That is where careful planning will put you ahead of the competition.

Step #1: Start a List

Start a list of decisions you are making based on opinions rather than data. This list will vary greatly based on job responsibilities and field. During the brainstorming phase, there is no decision too silly or mundane to include on the list. Ideally, you have the wall space to post a running list for at least several weeks in order to continually add items.

Step #2: Rank based on value

Assign a number and rank all the decisions from the list in terms of value to the business. Remember to factor in work hours as a cost to the business. Your time and the time of your employees are often the most expensive factor. An easy calculation to determine how much one hour of work costs per employee:

Quick employee costs calculation:

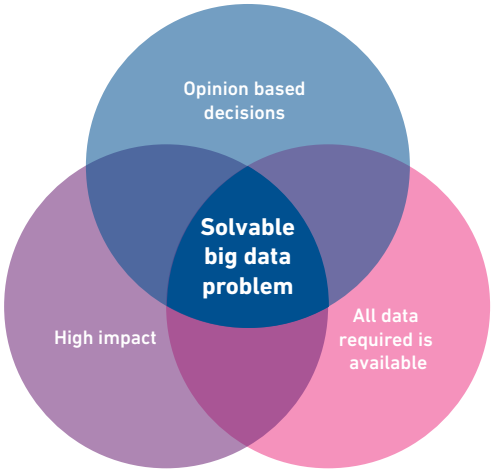
Salary or annual earnings x 1.3 (to account for benefits and additional employment cost) / 2000 (the average # of hours worked annually) = The cost of that employee per one hour

Depending on the particular problem you are looking to solve, you may want to include opportunity costs as well.

Step #3: Outline data requirements

Pick your top 3-5 most valuable decisions to the business, and map out the basic data points needed in order to inform analysis. Next to each field, attempt to identify a source of the data. Hopefully the data is easily accessible, ideally from your own team. Most likely you will need to coordinate with other teams, if not other companies to access the required data. This could be an excellent opportunity to work across lines internally. But with increased effort and time, come additional costs.

Step #4: Identify your data gaps



Using your review of the data fields required, identify the gaps in data that need to be filled. You will need to determine if those gaps are too significant in order to continue, or if they can be filled by seeking out a vendor relationship, or making an educated guess to continue in the analysis.

Example: With the customer service question posed above, one gap identified is the social media impact of a negative or positive experience.

- Based on data that exists in terms of the impact of social media, I can conclude that out of every X customer service complaints, X% of consumers will post about their experience if it was negative and X% if it was positive.
- Based on the survey ratings for my company, I know that X% of the customer service engagements ended positively, so can assume that X% will post positive feedback on my company, and X% will post negative feedback.
- Based on the impact of social media, I can assume that those messages will be read by X friends and followers on average. Based on the impact of social media on purchase behavior I can assume a $X gain for each positive experience and a -$X for each negative customer service experience.

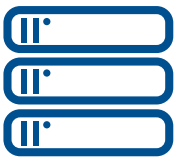
Although I don't have the exact data available to answer definitively, I have enough outside analysis to form a hypothesis in order to keep moving. This gap identified is not enough for me to remove this decision from my list at this point.

Step #5: Build your 2017 Big Data plan

Hopefully your list started with 20+ business decisions that could benefit from a data-driven approach and reduced that list to 3-5 based on business impact, and at least a couple were removed based on data gaps you identified. Build the plan framework based on what has worked well for you and your team in the past. Make sure to identify:

- The data sources and key contacts to acquire the data
- The date range for the data required
- The exact fields required (over communication is best — assumptions can lead to delays and pulling data multiple times)
- The data gaps and required information to fill them (outside vendors, approximate cost, etc.)
- Accountable team members for each step including conducting the actual analysis
- A detailed timeline to collecting the data and conducting the analysis

The beauty of data is its scientific nature. There's no guess work needed. Data helps answer the questions to problems that can directly impact campaign performance and affect the bottom line. But just because it's scientific in nature, doesn't mean you need to be a scientist to leverage its true value. All you need is the desire to learn and ask the right questions and prioritizing your business's needs can set you up to think big. To think data.



Data sources and key contacts

Educated estimates to fill data gaps

Date range for analysis

Detailed timeline for data collection and analysis

Five Steps to a #2017BigDataPlan

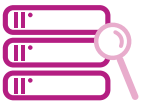
Step 1 List out all decisions you are making based on opinions vs. data.

Brainstorm a list of decisions with your team.

Step 2 Rank these decisions based on the value to your organization.

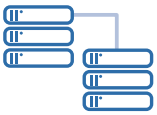
To calculate cost of employee time:
Annual earnings x 1.3 / 2000 =
Cost of employee per one hour

Step 3 List out each piece of data required to analyze each problem. Identify data gaps that are insurmountable.



Find industry data to fill data gaps with educated estimates.

Step 4 Identify the gaps in data that need to be filled.



Determine if existing gaps are too significant to continue. Some gaps can be filled by seeking out vendor relationships or making educated guesses.

Step 5 Build your 2017 Big Data Plan.

Be sure to include:
- Data sources and key contacts
- Educated estimates to fill data gaps
- Date range for analysis
- Detailed timeline for data collection and analysis

Lindsey Harju is a Senior Product Manager at Experian Marketing Services and serves as lead for multiple digital solutions including OmniActivation™, a cross-channel addressable advertising solution, and Audience Engine, a self-serve Audience Management Platform. Throughout her diverse career in dynamic ads, closed-loop analysis, and addressable targeting, Lindsey's passion has been solving complex problems in the most efficient way possible. She was awarded Experian Marketing Services Idea of the Year in 2015 and Launch of the Year in 2016. Prior to Experian, Lindsey led the Pharma Direct product at Yahoo!, working with advertisers constructing addressable targeting strategies. Lindsey earned her B.S. in Marketing from the University of Illinois at Chicago.

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