

Better Together: Big Data and Custom Market Research

By Brad Bortner



Adding the *Why* to the *What* of Big Data Analytics

The last decade has seen an incredible ascent of big data analytics to drive business decisions. By combining the vast amount of data that a digital economy releases, with ever cheaper computing power and easy to use, inexpensive, cloud-based analytics tools, we can now determine what your customers and prospects are doing in ways virtually impossible a decade ago.

While big data gives significant insight into what is going on with customers, custom market research is better at understanding what is driving these behaviors. Custom research allows a business to ask why customers are engaging in certain behavior, and how to get them to do more things that are desirable for the business.

When custom market research is combined with big data analytics, however, you can achieve greater insights than either approach used separately. By harnessing both in tandem, you can accelerate your go-to-market effectiveness and marry the “what” of big data analytics with the “why” of custom market research.

Big Data Analytics Ascendant!

We live in an amazing time for big data analytics. Modern consumers and businesses generate more data than ever before (Figure 1). Computing power has grown exponentially, and our ability to analyze it with powerful desktop or cloud-based applications has matched that growth. We can literally do in hours what would have taken six months in the past, if it were even possible at all!

Big Data Analytics' Symbiotic Relationship with Custom Market Research

Big data analysis is even more powerful when combining data science with behavioral understanding, subject matter expertise and custom market research.

Custom market research refers to research designed specifically for the use of an organization or business.

While big data analytics and custom market research can be standalone projects, when used together, there are synergies that can take analyses to the next level.

This approach can achieve powerful insights and more confidence in decisions that will

achieve goals, such as:

- Reducing churn,
- Increasing customer satisfaction,
- Winning new customers,
- Reducing operational costs, and
- Optimizing investment in new products and services.

The Role of Custom Research

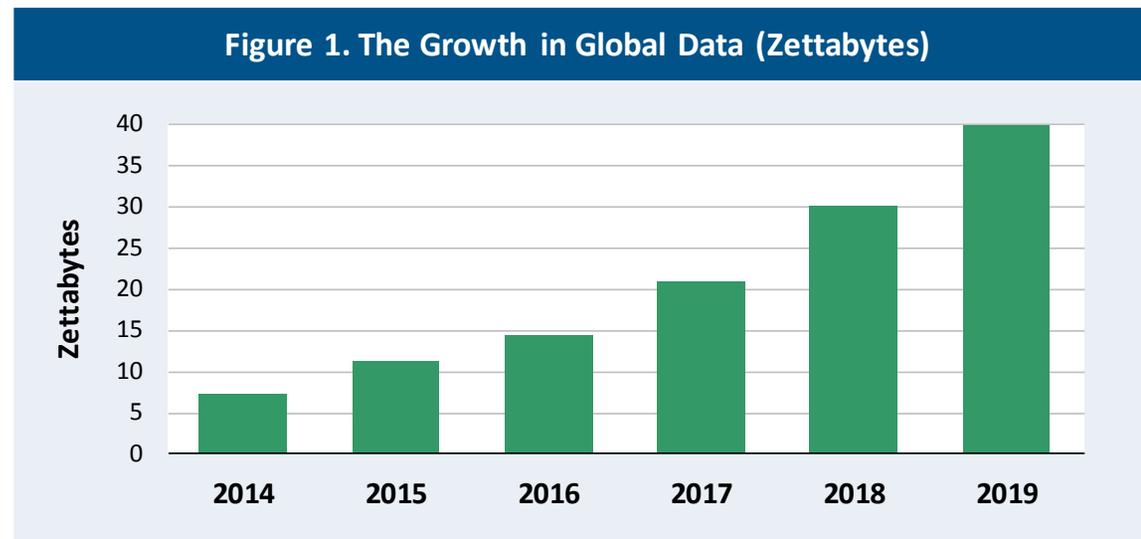
Custom research is useful whenever you want to know **what customers are thinking, what they are experiencing, why they are acting the way they are, or how they might act** given potential business changes. This includes B2C and B2B customers.

In Figure 2, we give examples of questions you would ask using big data analytics and custom market research in order to achieve business goals.

How Big Data and Custom Market Research Work Together

The possibilities are limitless. Whenever you want to find out the reason behind the customer behavior revealed through big data analysis, you can design custom research to uncover it.

You can also use big data to create survey samples, e.g. pulling a comparable sample from public online panels such as Dynata or Toluna.



Note: 1ZB = 1,000⁷ bytes. Source: UNECE

Here are a few examples of combining the two disciplines in a project:

- **Retaining customers:** Identify customers who are churning using big data analytics, then use that data as the sample to survey them and ask why they are leaving and what it would take to make them stay.
- **Developing products:** Use big data analytics to find demographic segments who are ripe for a new product idea, and

then use custom research to optimize likely preferences and receptivity by adjusting features, price, and services.

- **Mitigating losses:** Look for suspicious behavior with big data, such as password sharing, and then follow up with surveys to determine if your suspicions are correct, and how to entice customers not to engage in it.

Use Subject Matter Expertise to Drive Results

Subject matter or domain expertise makes project designs and analysis more effective and the insights more useful.

The risk with any set of analytics tools, whether it be big data or custom market research, is that they are not useful without expertise in the markets and the problems being analyzed. Working with subject matter experts enables studies to be better designed at the outset, and a more nuanced interpretation of the results.

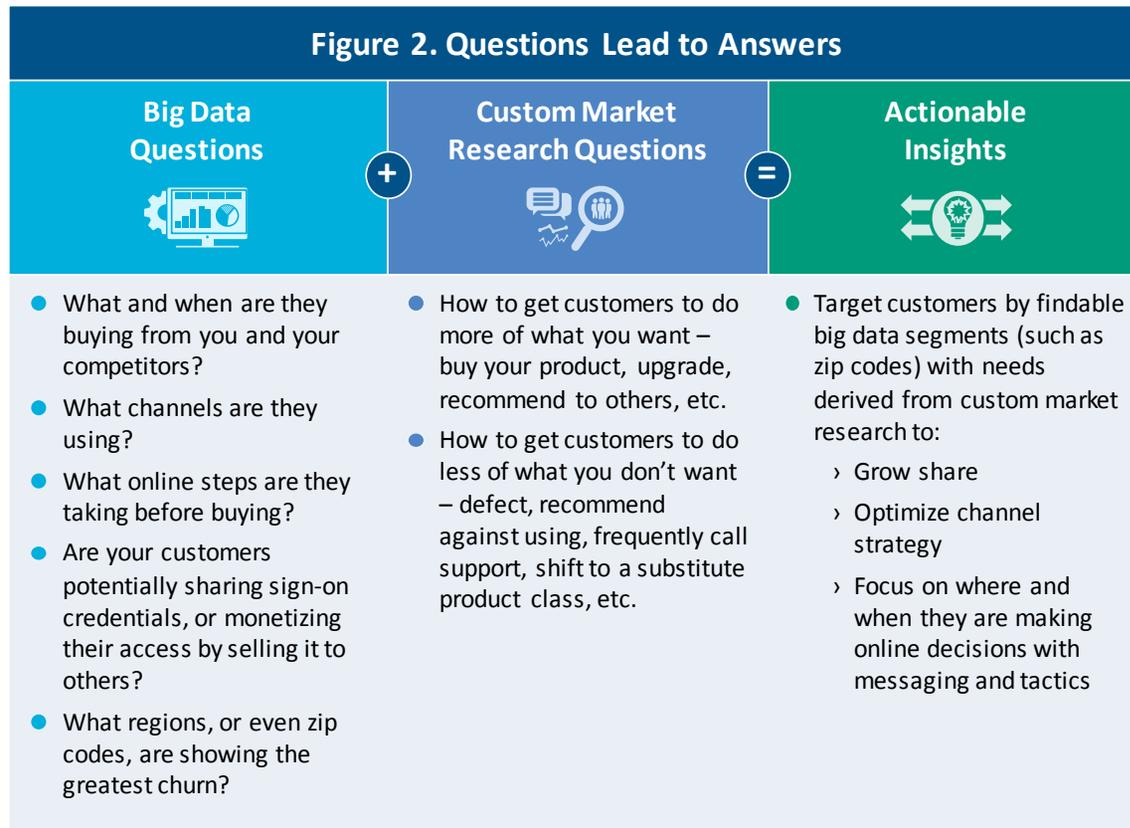
Insights gained through analytics, custom market research and domain expertise enables businesses to make effective decisions in the shortest time frame practical.

How to Add Qualitative and Quantitative Research to Big Data Analytics

By adding custom research, businesses can explore, model, and optimize the **why** to the **what** they are learning from big data analytics. This can take the form of:

- **Qualitative interviews** — These range from phone-based interviews to online or in-person focus groups, to online

Figure 2. Questions Lead to Answers



or in-person ethnographic studies to follow customers through their buying process. Any of these approaches can add significant insight to why customers are behaving the way they are.

- **Quantitative surveys** — Ranging from small to large, a statistically projectable quantitative survey can:

- Help you understand why customers are doing what they are doing;
- Uncover what levers you have to encourage positive behavior while discouraging negative behavior in a way that allows you to size the market impact of those assessments; and,
- Allow you to explore how customers would react to messaging, potential changes in delivery channels, potential reaction to new products, and much more.

- **Advanced quantitative modelling** — Ranging from multivariate regressions to customer choice modelling, such as conjoint or Max-Diff, can help determine *why* customers are doing what they are doing and **model the effects of business interventions before you make them.**

For example:

- Introducing a new product? Find out what kind of preference share it is likely to get in a competitive marketplace and what levels of

feature or functionality will maximize that share.

- Want to assess the likely effects of a price change? It is possible to measure preference share effects for that as well.

As you can see, adding customer's self-reported insights can enrich virtually any data-driven business decision. The point, however, is not to use either big data analytics or custom research as tools in a "fishing expedition". Used together, they are powerful devices that help your business increase its success in its competitive markets. <>

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