The Data Revolution

A Quick Overview for Catalogers

The digital realm that we have discovered is infinite and as marketers and catalogers we can't just turn our backs on the bounteous amounts of opportunity it presents.

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Introduction

Before the days of internet and modern technological advancements, concepts such as community were different. Today when we think of community, we think of online forums, Linkedin, Facebook, and people sharing like-minded ideas. Just a couple of decades ago, the world was a very different place. For one, it was far more personal. Instead of blast e-mails, we depended on telemarketers, door-to-door salesmen, and interpersonal relationships to make sales. Over the past decade the world has changed drastically. Walk into a restaurant and you will see people sitting together, but socializing via means of social media on their smartphones.
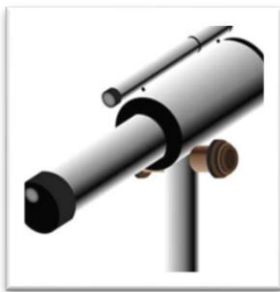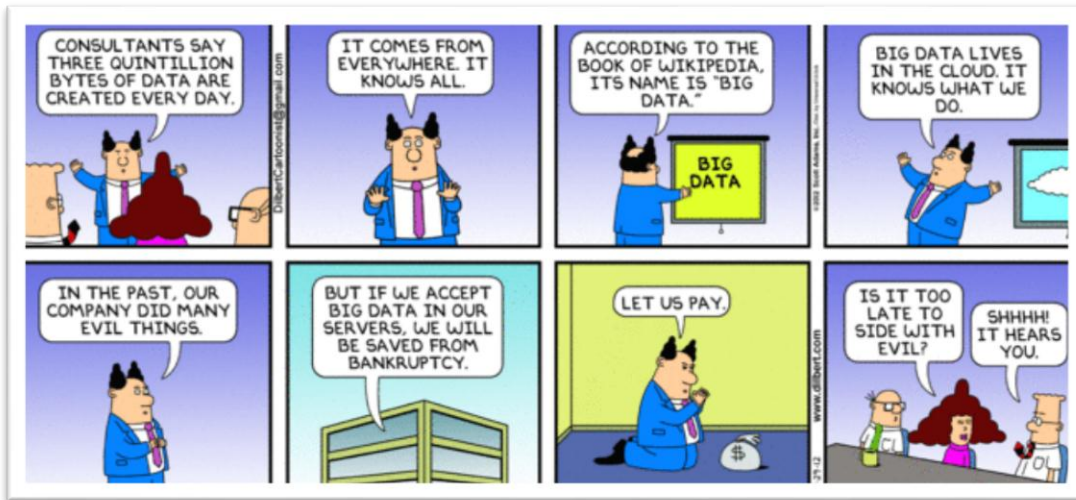
My mind goes back to the 2009 movie *The Surrogates* (based on the 2006 comic book series) with Bruce Willis acting as the main character (Tom Greer). In this movie, people hook their brains up to machines in their houses and live their lives through surrogate bodies. Many people believe that the world is becoming just that, an impersonal place where relationships are driven by the illusion of being connected, when in actuality, we really are not connected at all.   True as this may seem, recent changes in the way we interact reveal that this may actually not be the case. With the rise of BIG DATA and personalization, the world of sales and retail seems to be going back to its more personable roots, but with assistance of modern technologies.
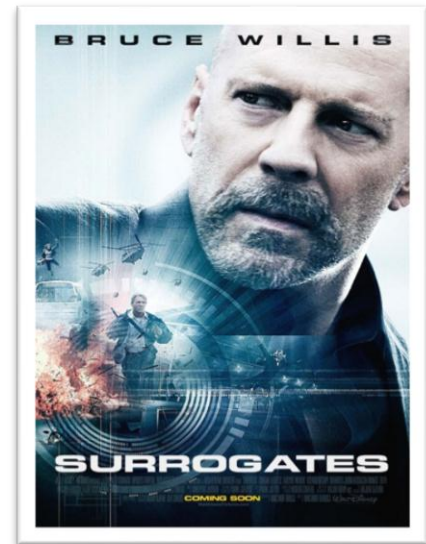
The question is what does all this mean to catalogers? What exactly is big data and what is its relevancy in the old world of print and direct mail? For the purposes of this white paper, we will explore big data and what it could mean for us old time direct mailers.
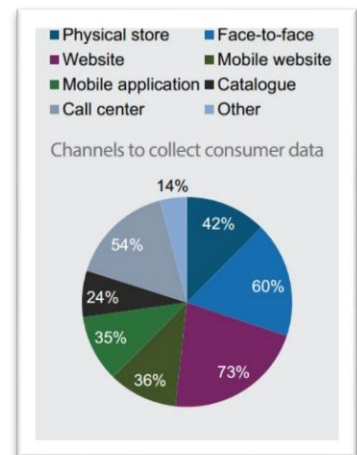
BIG
DATA

What is Big Data?

Image from the mentioned article illustrates the channels consumer data can be collected.

In a blog article put out by Salesforce, Author Jean Spencer writes: "Big Data is that buzzword that describes the increasing volume of data surrounding every aspect of human life. It refers to the idea that nearly every human action can be quantified and logged in a bank of data that is growing at an exponential rate. In fact, there are nearly as many pieces of digital information as there are stars in the universe" (see 5 Ways Marketers Can Actually Use Big Data). That is a vast amount of data. Especially when we don't even really know how large the universe is!

I'm not sure that the general population is quite aware of the impact that this has on our civilization. From that street address that you plug into your GPS to the fact that your smartphone tracks your location, to your internet searches, to your shopping history, and your social media status updates, you're every move is being drawn out and perpetually sealed within an endless database of everything. Our lives are constantly being recorded. Someday within the next hundred years, we may be able to watch the progressions of our lives play out before our eyes. We are coming to a point in time where we already have enough data to do that. The

mysteries of people—where and when they lived, where they went/what they did/for what reasons they did it—will no longer be a mystery. Out history is being written in detail.

From The Human Face of Big Data

"During the first day of a baby's life, the amount of data generated by humanity is equivalent to 70 times the information contained in the Library of Congress."

Former TIME, LIFE and National Geographic photographer Rick Smolan has taken on a new project titled *The Human Face of Big Data.* If you haven't seen this beautiful masterpiece, you've got to check it out. In the forward of his book he writes: "During the first day of a baby's life, the amount of data generated by humanity is equivalent to 70 times the information contained in the Library of Congress."

This really puts into perspective the power of *Big Data.* No wonder it's the buzz of the New Year. From a 2012 article in the Sunday Reviews of the New York Times titled The Age of Big Data, writer Steve Lohr explains "The wealth of new data… accelerates advances in computing — a virtuous circle of Big Data. Machine-learning algorithms, for example, learn on data, and the more data, the more the machines learn." This is the beginning of artificial intelligence. Now that, when used right, is a powerful tool. This digital realm that we have discovered is infinite and as marketers and catalogers we can't just turn our backs on the bounteous amounts of opportunity it presents. Here are some ways that Big Data can benefit your catalog program.

## How Big Data Can Benefit Your Catalog Marketing Strategies

Sheds Light on the Consumer Silhouette— *Big Data* is a great source of understanding an individual's shopping behaviors (such as Beth likes to buy shoes, etc). That's great, but it's so much more than that. *Big Data* tells us that Beth not only likes to buy shoes, but she likes to go to the gym as well and while there she likes to listen to audio books on the treadmill and she drinks a lot of water

during a workout. Now we're not just target selling Beth shoes, we're target selling her gym shoes and an armband for her ipod and an extra-large gym thermos. Better yet, we're offering her a deal: "Buy a new pair of gym shoes and get 30% off an ipod band and thermos." Basically, we're using what we know about her to sell to her. Amazon has been practicing this for years. No wonder they've been putting people out of business. Whereas before we had but a dim silhouette of our consumer, we now have a full portrait. More, we have a progressive, moving, ever changing portrait being redrawn every second in real time.

A study put out by Microsoft titled From Big Data to Smart Data explains that: "big data gives marketers a more complete view of the customer in context, connecting traditional transaction and identity information with new sources from social, mobile, search, sensors, wearable devices, and market metadata. Integrating data across all these sources enables better targeting, conversion, measurement, and forecasting." The statement is followed by an image that says it all.

The categories on the image that represents the profile view of big data are as follows: Social; Mobile and Location; Search and Web; Biometric; Privacy; Transaction; Identity and Credit; Viewing Habits.
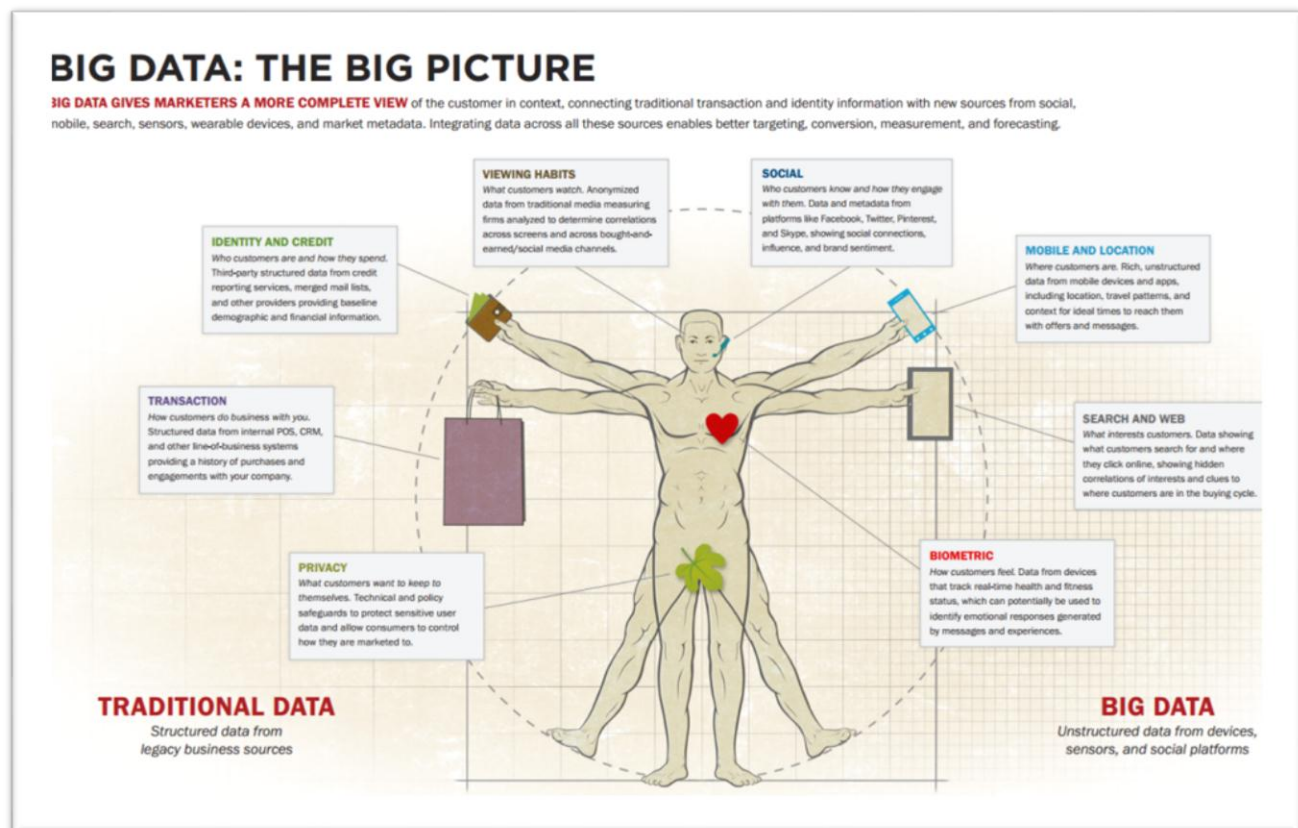
Takes the External into Account—the above image brings us to another point. Not only does *Big Data* shed light on the consumer profile, but it sheds light on the consumer's environment as well. This is to say that where in the past we would market based chiefly upon a buyer's behaviors, we now can sell based on what a buyer is experiencing externally as well. It's much easier to sell umbrellas when it's raining outside. It is much easier to talk a buyer into going to Starbucks when they are right up the street.
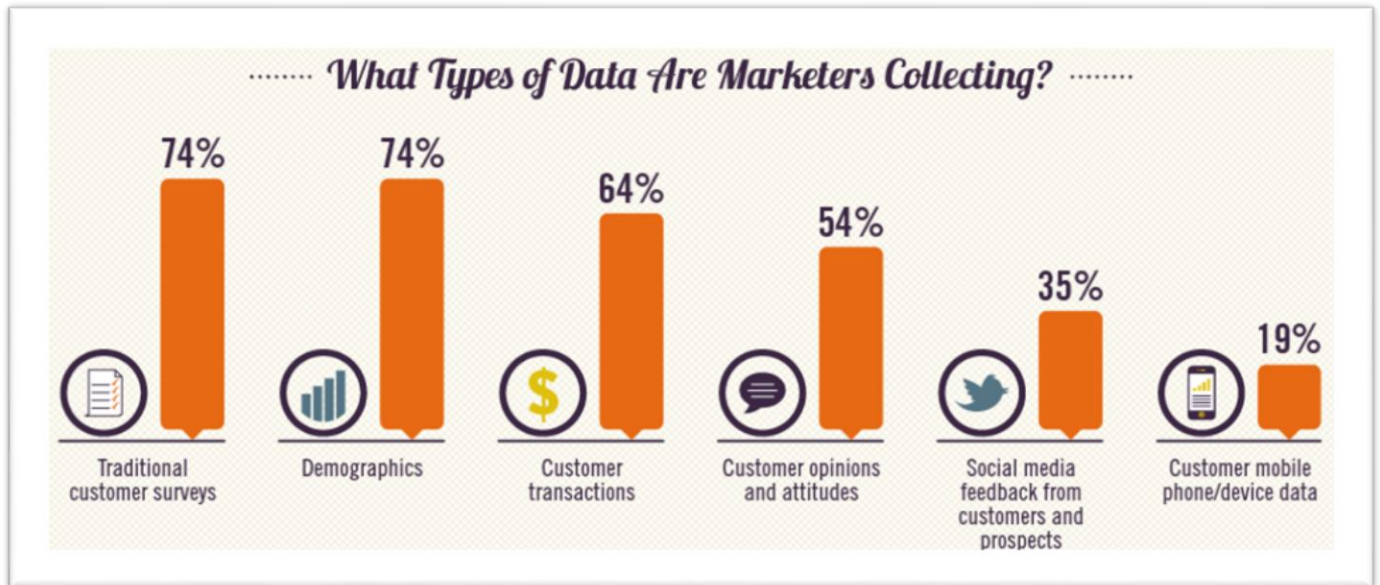

Personalization—what is this hype about personalization? It seems that's all marketers are talking about lately. So, what is it and what does it have to do with *Big Data?*

An article on the BTC website titled The Power of Personalization explains that, "The significance of personalization is something nearly 94% of social marketers can agree on. But only a small sliver of businesses successfully take advantage of it, and vast amounts of data is left untapped. A whopping 40% of businesses pass up on creating a meaningful connection using segmentation and personalization."

In an earlier white paper put out by The Dingley Press called Target Your Audience/Boost Performance, we talk about how segmentation is a powerful marketing tool. With the effort of analyzing this so called big data and through such practices as participating in a *Cooperative Database,* marketers have the ability to get even more personal. For one, we can analyze our buyers buying behaviors. Also, we can analyze their buying history. So if I sell DVDs, why not market the new Thor movie in 3D to the buyer who just bought a new 3D tv and who went to the theater to see Thor three times already? Sending a catalog that says, "Check out our new releases Jen," is using my name…. but sending a catalog advertising that new 3D Thor DVD based upon my buying behaviors and history, now that's personalization. More, that's personalization utilizing the power of big data.

So, what are the types of data that will be most effective for catalogers trying to achieve the above results?   Below is a bar graph from The Marketers Guide to Actionable Data, published by Monetate. The graph shows the types of data marketers are collecting for their campaigns and what is working for their ROIs.

.... **What Types of Data Are Marketers Collecting?** ....

74% — Traditional customer surveys
74% — Demographics
64% — Customer transactions
54% — Customer opinions and attitudes
35% — Social media feedback from customers and prospects
19% — Customer mobile phone/device data

Conclusion

The evolution of marketing in its entirety has reached a metamorphosis of sorts.   With Big Data, marketing has never been so advanced. The way that marketers are using technology to reach their buyers with this big data is on the leading-edge of creative marketing.   This is only the beginning of marketing in real time. Delivering the right message to the right place at the right moment is becoming more tangible with each decade that passes.

There are so many ways that catalogers can utilize big data. From adding detail to the buyer profile to personalizing their direct mailers, the possibilities are endless. Stay tuned for more on this subject from **The Dingley Press.**