



Big Brother and Big Data

Aki Kalliatakis

"Big data" has become the latest panacea for creating customer loyalty. "Big data" usually goes with other mysterious terms like "analysing telephony metadata," "separating the signal from the noise," and "We know the precise ARPU* for our clients."

Big data is what the famous young whistle blower Edward Snowden was involved in, with a huge database of information collected in a programme called PRISM, (before the CIA started chasing him all over the world.) Big data is what many CRM programmes claim they sell you when espousing the benefits of their particular package.

Various types of data

Blogger Dave Meer defines big data as "... the large data sets that can be managed and analysed only by increasingly powerful and sophisticated tools." He distinguishes between various types of data:

- Created data includes things like old-fashioned market research surveys, consumer panels, loyalty programmes and other ways in which customers voluntarily provide information.
- Provoked data is generated by giving people the opportunity to express their views, like customer ratings and reviews.
- Transacted data is generated every time we click on a website or on a banner, buy something online, or check out at a cash register, and is a powerful way to understand exactly what was bought, where it was bought, and when. Matching this type of data with other information, such as weather or a TV

programme, can yield even more insights.

- Compiled data comes from the giant databases that companies like banks keep. They include demographic data, where you live, your purchase history, what cars are registered in your name, and more.
- Experimental data is when a company designs experiments in which different customer sets receive different marketing treatments (like different prices or discounts) and observe results in the real world.
- There is also a ton of data generated by the way people use the internet: what they post on social media, which videos they watch on YouTube, or what photos they download onto Instagram.

Analysing big data

There is some good in this concept of analysing big data, but based on various experiences with large organisations, it is difficult to see much usefulness in this concept. After all, most companies fail to use what they already know about people anyway.

There could be value in this if only people didn't know companies better. For example, a big retailer recently used information collected in its loyalty reward programme to conclude that one of their young customers was pregnant. So far so good. Then they decided it would be nice to send her a card to congratulate her. Aaaaah! What a nice touch, you may be thinking. The only problem was that this particular young customer didn't own the card - it belonged to her dad - and he didn't know that his precious (single) little girl was pregnant. Can you imagine how everyone must have felt by this embarrassing faux pas?

There have been letters addressed to "The Deceased Mr James Patterson," and people have received a number of unwanted SMSs from companies who have absolutely zero chance of selling them anything. If you book a seat on certain airlines, even after flying with them continually over the past few

decades, you might still have to ask for your favourite seat, and they still don't know what your favourite meal is. Even worse - for them - is that they are unable to simply process data that already exists in their computer, like the fact that at some stage the number of flights per month might have dramatically decreased.

Every time banks send a new credit card, they request you to bring in a whole bunch of information which they already have in their system: ID numbers, proof of residence, letter from employer, and so on. How about the simple concept of pre-populated forms with my information already printed on? If they can't even get that right, what will big data do for them?

Personal touch

Some businesses benefit from the analysis of all this information and profit from it. But as customers, some have yet to see anything that will help them become more loyal. When my local small greengrocer or Italian restaurant or hardware store owners see me, they recognise me, call me by name, know what I like to buy, and treat me like a member of the family. Not even one large corporation has done that for me.

Big data? More likely it is big bad data, and it will never, ever beat human intuition. If you own or run a business, I suggest you go and buy a box of cards and record information that is really useful in a box where it will be read.

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