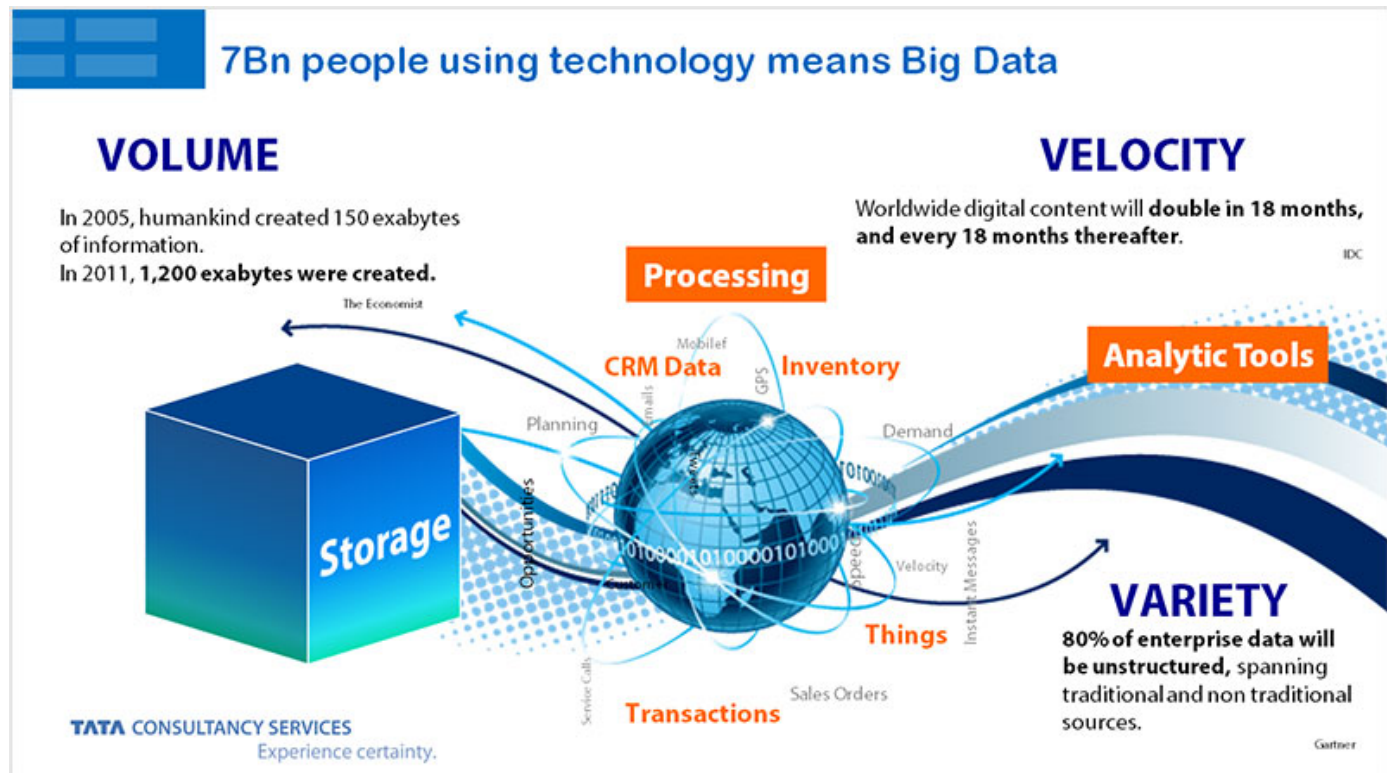


Understanding the “Why” in Marketing-- Big Data Doesn't Always Have The Answer!

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The hunt is on to get as much customer information to guide marketing decisions by using what is currently known as “big data.” Simply, big data is a collection of data, structured and unstructured, used to find marketing relationships not very obvious to the marketer. Big data helps show marketers what is going on. Big data helps the Chief Marketing Officer (CMO) understand the “what” but very little of the “why.”

Now, more and more marketers are turning to ways to find the “why” in marketing—why consumers buy the products they do, how they use them, and importantly, how they relate to products in ways big data or conventional market research surveys cannot. They are increasingly using techniques used by anthropologists called ethnographic research, studying consumers where they live, where they work, in the kitchen, in the bathroom, in the stores, restaurants, concerts, malls, or college campuses. This observational method helps marketers by showing how products are used, the meaning of products in their lives, and the lifestyles that influence purchase decisions.

Ethnography evaluates consumer behavior in detail, identifying important patterns through observation of people engaging in activities such as browsing, buying and trying products, or using services. Based on ethnographic findings, recommendations are made to conduct quantified market research, develop new products, add features to existing products, or change advertising approaches.

Intel, the computer chip maker, uses ethnographic research to understand how teenagers, who grew up with smart phones, use their devices differently than baby boomers, how television and PC technology converge, and how smart phones are taking over most of the functions of personal computers. J.C. Penney looks in women’s closets to see the brands and styles of clothing they purchase for work. Clairol, the marketer of hair coloring, watches how women apply hair coloring at home to improve the ease of product use.

According to ethnographic case studies by Consumer Research Associates,

- Abbvie Pharmaceuticals, a marketer of a drug for HIV, wanted to understand the patient journey to identify opportunities for innovation in packaging, messaging, and service. Researchers observed physicians with patients and conducted in-home interviews with patients to learn how drugs are used.

As a result of the research, new techniques were developed to help patients comply with their therapies and to help physicians communicate and personalize treatment solutions for patients.

- Miller Lite wanted to understand how brand updates would be received and understood by their current customers. Researchers conducted in-home demographic groups to gauge reaction concepts being considered. Interviews were conducted in stores and bars with different brand concepts in a natural setting to gauge consumer reaction. Using a variety of ethnographic methods, the project culminated in the successful update of all Miller Lite branding and marketing materials.

- Best Buy, a leading consumer electronics retailer, wanted to explore expanding its selection to include a health and fitness department. They were interested in how well customers would accept this brand expansion with a particular appeal to female shoppers. They wanted to understand the consumer product research and decision-making processes and to identify triggers for investing in home fitness equipment among female shoppers. Ethnographers collected stories among women who recently purchased fitness equipment learning about stores the participants liked including Best Buy. Researchers accompanied consumers on shopping trips for fitness equipment to understand the purchase process. The ethnographic research helped Best Buy design the fitness department and provided direction in product selection.

Ethnographic research is also used in business to business situations. Bosch, a manufacturer of production equipment, wanted to determine how to gain a competitive advantage over rival companies. They first conducted interviews with production managers and then went into the manufacturing plant to observe how production-line staff used competitive equipment. The observations revealed there were customer needs that were missed by competitors such as awkward adjustments and difficult maintenance procedures. The result was a line of Bosch manufacturing products that overcame the issues of competitive products. Observing the use of competitive products, an ethnographic technique, gave Bosch the insight they needed.

Miele, a German household products company, wanted to investigate the cleaning needs of people with allergies. They sent researchers into homes of people who had children with allergies to observe cleaning practices. Through ethnographic research, they discovered, parents spent extra time vacuuming mattresses to remove allergens. Parents could not be sure the mattresses were allergen free, so they kept vacuuming. Miele developed a vacuum cleaner with a series of lights that indicated when the item is dust free. This reduced the time and uncertainty of parents vacuuming their child's bed. Based on this research, Miele also introduced a washing machine with special features to thoroughly clean pillows and bedding of allergens.

Big data, finding unusual relationships in structured and unstructured data, will always play an important part in marketing to understand what is happening. But to develop insight as to why, marketers use ethnographic research and visit people in their homes, watch how they use products, listen to stories about how and why they buy, what they buy, and gain deep insight into the purchase decisions and the why of marketing.

*Image source: *Tata Consulting Services* (2015).

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