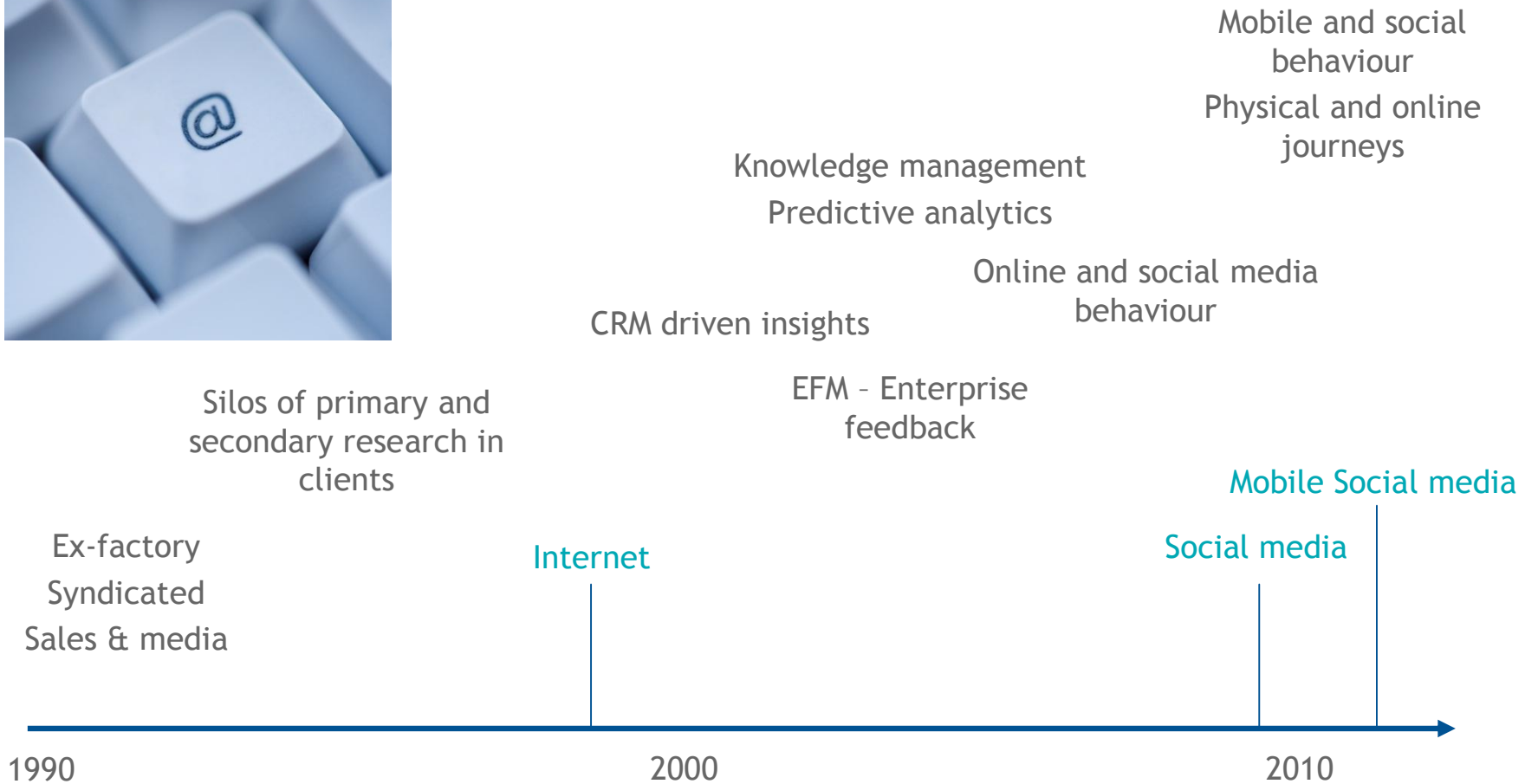
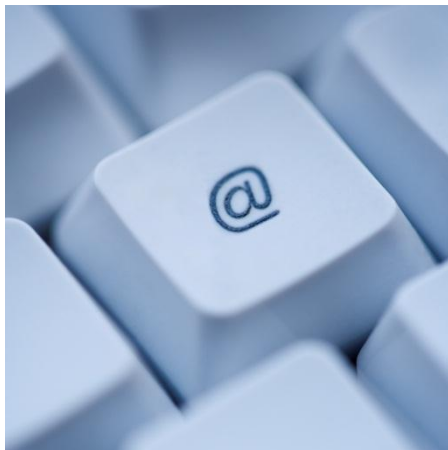




Are we negotiating the data deluge?

A lot has changed



Ever increasing data sources



In 2010 we will create some
1,200 Exabytes of data
an eightfold increase since 2005

An average individual will
encounter a terabyte of data
per day through their own
senses

How can this deluge of information be absorbed by organisations,
with a view to then using the most resonant sources to influence
business decisions?

Have we cracked it?

So how do we manage this?



- ICM's success is helped by remembering five principles when conducting data mining projects
 1. Utilise data to create additional **business value**
 2. **Join the dots** of the existing data landscape
 3. **New information** doesn't necessarily produce **new insights**
 4. **Pure science** is not enough to drive business value
 5. Avoiding the **diversion** pitfall

1 - Utilise data to create additional business value



- The key strategy for all data should to create an insight and link to a commercial outcome
- Profitability, but in reality:
 - sales
 - brand preference
 - NPS
 - customer churn
- Data fusion or mining process needs to have a “so what” attached to it
- A good example of this is to take a typical statistical drivers analysis from a customer satisfaction programme

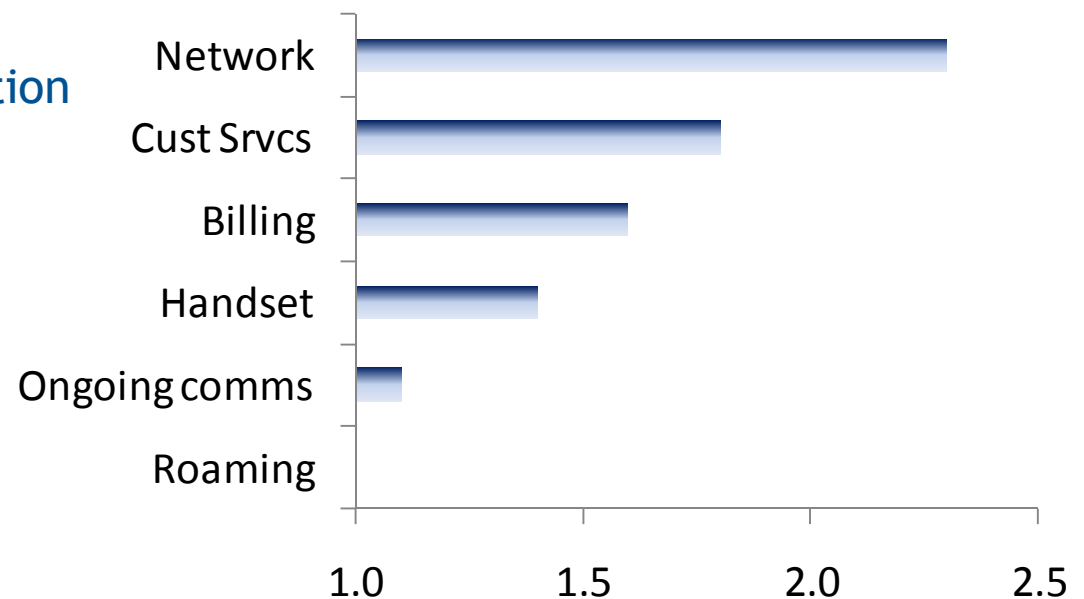
SO WHAT?

Constantly look at the commercial value at every stage

1 - Utilise data to create additional business value



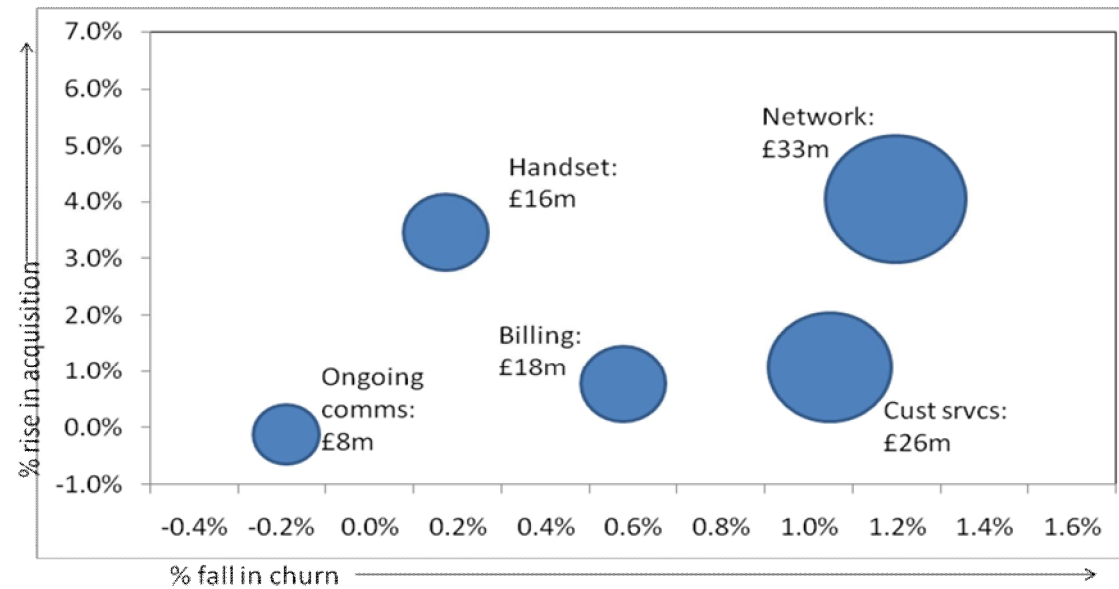
- A regression model has been used to identify which elements of the customer service best drive overall satisfaction
- Better than “how important do you think x or y are in a mobile network”
- But little value for an organisation in terms of allocating scarce budget across business improvement initiatives



1 - Utilise data to create additional business value



- Simple maths can create an environment where “so what” becomes “do this”
- Something abstract becomes real world, businesses have a real and tangible outcome to aim towards



- But what about a business’s ability to make these value judgements reality?

2 - Join the dots of the existing data landscape



- Client organisations should know what data is currently at their disposal - but they don't!
- Knowing what the business already knows is the starting point to a successful data strategy
- No single client contact for research and insights
- CRM teams have become the owners of a wealth of information
- Despite all the increases in use we still see:
 - Wasted effort and wasted budget,
 - answers to questions that are already known
 - New data sources are actively sold by organisations

Ask to speak to other teams,
question your client's knowledge

3 - New information doesn't necessarily produce new insights



- Metrics move at different paces, and recycling can be seen as a great way of saving budget and mining existing data more effectively
- Additionally, markets move at different paces
- Clients need to understand their markets first and foremost to best understand how and when to invest in more research or data mining

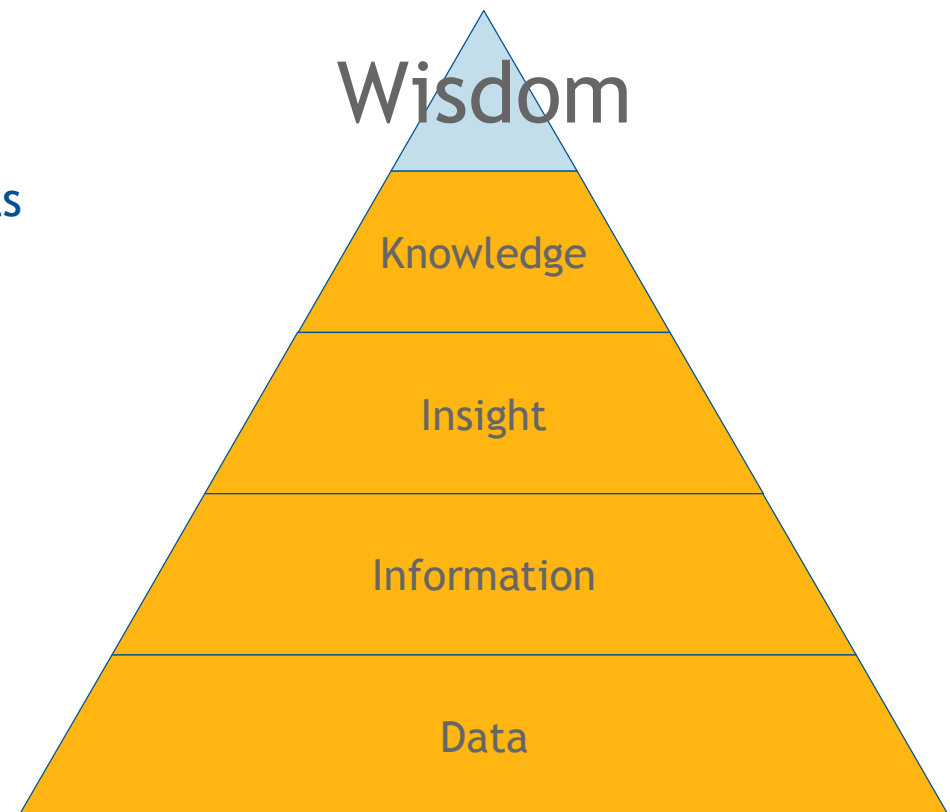


Advising clients not to do something can build immense trust and ultimately lead to more work

3 - New information doesn't necessarily produce new insights



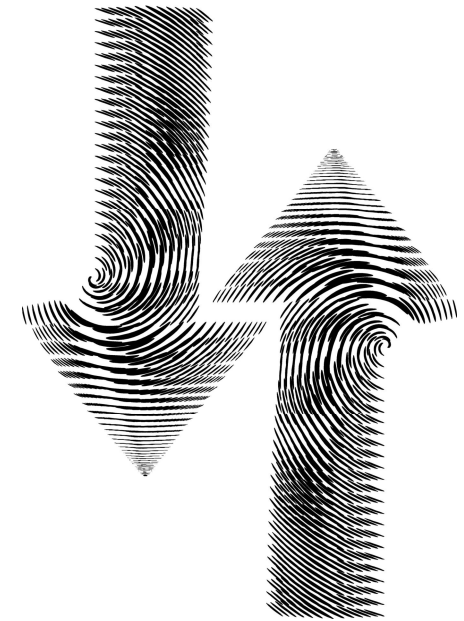
- Think about where you are adding value
- The “Wisdom hierarchy” can be a useful way to prioritise projects
- An example - measuring complaints



4 - Pure science is not enough to drive business value



- Data fusion fails when the linkages are not always clear
- An over-reliance on pure statistics can lead to a sub-optimal return for businesses.
- Statistics on their own allow us to understand some of the nuances regarding a particular business problem but unless real business application is seen efforts will fail
- Understand the desired commercial outcomes from the beginning
- Relaxing some of the assumptions of pure statistics in favour of a usable output is critical



Gut feel, experience should complement data driven results

5 - Avoiding the diversion pitfall

- It's commonplace for interesting nuggets to appear in data analysis
- Whilst these nuggets can be interesting (or even useful!), they can also prove to be an unwelcome distraction from the overall focus of the analytical process.
- Maintain a focus on the business issues at hand
- The nuggets which are produced as a by product can always be revisited



Maintaining a tight focus will ensure that the greatest commercial value is achieved

Tips for success



- The success of data mining programmes in will depend on realism, ‘bite-sizing’ of specific analyses
- The myriad data streams becoming available can often lead to ‘kid in a sweet shop’ syndrome - where the desire to have the latest data source available overcomes a rational approach
- Many client organisations have significant issues in managing the existing information
- The addition of multiple further sources will do little to help the distillation of data into insight
 - it’s our job to help them



So have we managed the data deluge?



- Utilise data to create additional **business value**
- **Join the dots** of the existing data landscape
- **New information** doesn't necessarily produce **new insights**
- **Pure science** is not enough to drive business value
- Avoiding the **diversion** pitfall





The future of Market Research - IBM - 9th June 2011