

Precision Marketing on the Background of Big Data

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Abstract: With the rapid development of big data, the era of big data has arrived, and marketing has thus ushered in a big change. Precision marketing has also risen and exploded in this big change. This paper discusses the precision marketing under the background of big data from the aspects of precision marketing, the source of data and the application of precise marketing data, in order to provide certain theoretical support for the company's precision marketing.

1. Introduction

The biggest change brought about by the era of big data is the marketing change [1] Personalized consumer demand requires enterprises to adopt a new marketing management model; and such a marketing model is actually precision marketing. With the advent of the era of big data, precision marketing is rapidly emerging and erupting [2]. This article mainly answers three questions: What is precision marketing? Where does the data come from? How is the data applied?

2. The Connotation of Precision Marketing Under the Background of Big Data

The so-called precision marketing is based on the precise positioning. The enterprise relies on the Internet, big data and information technology to establish a personalized consumer communication service system to realize the measurable low-cost expansion of the enterprise. It is big data. One of the core ideas in the new marketing concept of the times [3]. In 2005, Philip Kotler, the father of marketing, first proposed the concept of "precise marketing" at a world-class conference. The essence of precision marketing is "precision", that is, precise customers, precise products, and precise promotion [4]. In short, it is to provide the right products for the right customers.

3. Source of Precision Marketing Data

Big data is simply divided into two categories: structured data and unstructured data. The so-called structural data can be used directly, such as digital data in the Excel table about price, sales, etc.; other data can be collectively referred to as unstructured data, such as pictures sent on Weibo, posts in forums, and Tudou videos, etc. In big data, unstructured data accounts for 80% of the total amount of data. The sources of precision marketing data are mainly business data, interactive data, and sensor data [5]. They have both structured and unstructured data.

3.1. Business data

Business data refers to the data generated by various management systems of the enterprise, such as enterprise ERP systems, POS terminals, and online trading platforms. This is also the most important and most traditional data source for enterprises. These data are unique assets that are unique to the company. Because they are internally generated data, they can be transformed into information that is effective for business decisions. For example, Wal-Mart's collection of consumer data is not limited to information such as the consumer's purchase list and consumption amount, but also records the consumer's date of consumption and the weather, temperature, and other information of the day. Through a comprehensive analysis of structured and unstructured data [6], Wal-Mart can easily discover the correlation between various commodities, thereby optimizing

merchandise display, stimulating consumer purchase behavior, and increasing the sales rate of merchandise, which is also the reason for the display combination of “beer + diapers” can Wal-Mart take.

3.2. Interactive data

The social platform on the Internet records a large amount of data, including what the consumer is doing, what he wants to be interested in, and the individual details of the consumer's age, gender, location [7], occupation, and so on. The data on the Internet is extremely mixed, and enterprises need to use it to filter and collect data. For example, if you chat with someone on QQ, you may find that you want to buy a jacket recently. Then the message “You want to buy a jacket” will be known to the other party. If the other party is running a clothing store, it will make recommendations.

3.3. Sensing data

The sensor is an emerging technological invention in the past two years. It can also be said to be the most potential and imaginative data collection method in the future. The main purpose of the sensor is to track the position of the item and record the heat, amplitude, sound and other data of the person or object of the sensor. When a large number of sensors are connected together to form a sensor group connected to the network, its ability to collect personal data is unimaginable. At present, we can see the sensors in the smart phone, wearable electronics, office, home, factory and supply chain. If there is a company that can control all the sensors, it will become a real “monitor”, because it can monitor every corner of people's daily lives [8].

4. Application of Precision Marketing Data

4.1. Customer's precise positioning

The various data information in the context of big data is more three-dimensional, and the angle of presentation is more diversified, which provides a prerequisite for accurate target customers. From the user's browsing of the page to the final evaluation, all data that occurs during the process is recorded as a basis for analyzing customer needs and consumer buying behavior. These data include not only basic sales data such as the attributes, models, and prices of the products; but also the after-sales service data such as the user's payment method and logistics information; and even detailed details of which products the user browsed, and how much time each product page stays, each time which buttons were clicked on the page. In the era of big data, data can penetrate every corner of the customer. As long as the customer is positioned through the data, no matter what product is being marketed, ready, paved the way, customers can be found. In precision marketing, the key is not how much to do with the goods, but how much for the customer, so the precise target customer positioning is like drawing a sketch to the customer, the customer does not care how to draw, only care about the painting after completing it. For example, VANCL online sales clothing model is precisely positioned at the outset as a “lazy man” rather than a female customer who is usually targeted by apparel companies. The so-called “lazy man” is the male customers who are tired or have no time to go shopping in department stores. They are always looking forward to a more simple and convenient way of shopping. Therefore, when they go through the Internet or mobile phone, they can buy clothes without leaving home. At the time, the “lazy man” were full of enthusiasm, both lazy and trouble-free, and also led the fashion trend, why not? The customer group of the “lazy man” as the entry point is quite accurate, which is the great success of VANCL. A good starting point.

4.2. Target customer screening

Even if we analyze our customer group through data, the customer group that a company faces can be said to be very large. Although these customer groups are customers corresponding to their own products, the consumption power and purchasing power of different customers are different. The frequency of purchases is very different, so in the face of customers with different levels of consumption levels, the customer's screening is to let the company find the part of the customer that

is most beneficial to their own marketing. Big data technology allows companies to accurately find their big customers. It is usually analyzed from three aspects:

Customer value. The value of customer is the first concern of enterprises. By sorting the value of customers through big data technology, finding the customers with the most value, and then developing into their own big customers, just like many merchants have several VIP customers.

Customer range. The size of the customer determines the size of the profit that the company obtains. Although the profit obtained by the individual is relatively small, when the company has a large enough customer base, why is there no big customer? So the big customer does not just refer to it. An individual or business can also be a customer group with a certain number of customers. To give a simple example, Spanish clothing retail brand giant ZARA uses Internet data to capture the consumer preferences and favorite design styles of consumers around the world through big data analysis, making the designed garments more targeted and representative. Through big data analysis, not only shortened the time of the previous theme design, reduced the cost, and improved the work efficiency, but after being listed on the market, it was popular among many customers. LARA used big data to locate customers and won the starting line.

Customer demand. Demand promotes purchase, this is the constant truth. Customers with large demand may become the big customers of the enterprise. It is easy to analyze the customer's needs in the era of big data. For example, many supermarkets and shops now recommend customers to apply for membership cards, supermarkets. According to the consumption record of the customer holding the membership card, the customer can analyze the consumption level of the customer in the supermarket every week or every month, judge the customer's demand for a certain kind of goods, and then lock up the big customers. In this way, while the member customers enjoy the discount, the customer consumption record in the supermarket also becomes wealth.

4.3. Accurate marketing of product information

Big data has made it possible to accurately market product information and has dramatically changed the traditional marketing model. The marketing of enterprises has gradually shifted from the marketing of multiple channels to the mode of precision, which not only saves the cost for the enterprise, but also improves the efficiency of marketing. The precise marketing steps of product information are as follows: Since the company has chosen to produce a certain product, it must conduct market data analysis on the customer before production. The customer data to be collected here is no longer the data before production, such as what the customer needs, but the customer data information that may be consumed for the product analysis; the analysis of the customer data collected, mainly for the customer behavioral analysis, for example, the age range of such customers, what kind of information can be accepted, etc.; from a large number of customers to select representative and important target customers, such customers may not only be the first consumption of products. More importantly, such customers are the breakthrough to open the entire customer group, and are the main driving force for accurate product launch; choose the appropriate information promotion model for important customer groups. For example, the customer group is the advertising mode that children should use. The customer group is the white-collar and which advertising model should be used. Finally, the customer group is accurately placed. By analyzing the effect of the advertising, the customer behavior and the market are roughly judged, so as to adjust the marketing strategy.

For example, “House of Cards” is produced by a website called Netflix, a video-on-demand website where users generate tens of millions of behaviors every day, such as collections, playback, pauses, and more. Through long-term accumulation, the site has collected a large amount of user behavior data. Before shooting “House of Cards,” Netflix used big data to analyze users' favorite episodes, favorite actor combinations, favorite screenwriters, etc., so this company will have the highest ratings, the most popular match. The actors, combined, produced a very popular TV series. The “House of Cards” database contains 30 million users' viewing options, 4 million comments, and 3 million topic searches. Therefore, the Netflix website decides what to shoot and who to follow based on the ratings of the newly released TV series. Shooting, who plays, how to broadcast,

each step is guided by accurate, meticulous, efficient, and economical data, thus achieving production decisions determined by user needs.

5. Improve Customer Satisfaction

Customer satisfaction is also called the customer satisfaction index, which is the degree to which the customer's expectations match the customer's experience. In other words, the index that the customer derives by comparing the perceived effect of a product with its expected value. The level of customer satisfaction can be judged by customer's delivered value, mainly from the total value of the customer and the total cost of the customer, that is, $\text{customer delivered value} = \text{the total value of the customer} - \text{the total cost of the customer}$. The greater of the balance, the higher of customer satisfaction, and vice versa indicates lower customer satisfaction. The total customer value includes product value, service value, personnel value, and image value; total customer cost includes monetary cost, time cost, physical cost, and energy cost. Accurate marketing with big data technology is a way to increase customer satisfaction.

5.1. Improve the total value of customers

Personalized customization is the “trump card” of precision marketing, delineating its own target consumers, and conducting effective consumer relevance analysis, companies can customize products or services according to consumer needs. Only in this way, when the company pushes the product or service to the target consumer, the consumer will have the feeling of “sleeping in the pillow”, and such a comfortable experience will make the consumer have a strong consumption impulse. This can increase the value of the currency and thus the total value of the customer. In the context of big data, people have a variety of communication channels, such as telephone, mobile phone, WeChat, SMS, email, Internet TV, etc., communication is fast and efficient. This also provides a prerequisite for accurate communication between the company and its customers. This can increase the value of the service and thus the total value of the customer.

5.2. Reduce the total cost of customers

By analyzing the customer's data, the target customer's income level, consumption habits, and consumption preferences can be understood to determine the price that the consumer can “accept”, which saves the customer's monetary cost and reduces the total cost of the customer. Analyze customer data, know when customers want to buy products, recommend to customers in advance, or even deliver goods to the door. This saves customers time, cost and physical costs and reduces total customer costs.

6. Customer Relationship Management

Big data is widely used in customer relationship management (CRM) and is reflected in the following three aspects:

Customer segmentation of big data technology is a prerequisite for CRM implementation. Big data technology can help enterprises to effectively segment customers, enable enterprises to accurately implement STP strategy and marketing combination strategy, and provide customers with targeted products and services to improve customer satisfaction with enterprises and products. To get bigger profits. Customer segmentation allows users to view data across the database at a high level, and enables companies to adopt different marketing strategies for different customer segments and effectively utilize limited resources.

Big data helps CRM get new customers. The ability to acquire new customers is a key indicator of business development. It is mainly to discover those customers who are not familiar with the company's products. They may be potential consumers of products or customers of competitors, and customer response analysis by big data technology. It is an important basis for acquiring new customers. Based on a series of customer data and other input data given by the company, the data mining tool can establish a “customer response” forecasting model, which can be used to calculate

the customer's response to a marketing campaign. Based on these metrics, companies can know which customers are interested in the services provided by the company and help the company to get real customers.

Big data allows CRM to achieve cross-selling. Cross-selling is not only an effective means to increase profits by expanding sales to existing customers, but also an important strategy to enhance corporate image, cultivate customer loyalty, and ensure sustainable development of the company. After establishing a two-way business relationship with a customer, there are many ways to extend the duration of the relationship. More importantly, it is necessary to strive to obtain more profits in each contact. Cross-selling is an effective method. one. The integration of big data and CRM can deepen the analysis of customer churn. In order to analyze the main factors that lead to customer transfer, you can use data mining tools to model the lost customers, identify the patterns that lead to customer transfer, and then find out Customers who may be lost in the current customer, so that the company can take corresponding measures to meet the needs of the customer, to prevent customer loss, and thus achieve the purpose of maintaining the original customer.

In summary, data mining has a wide range of applications in CRM. Using data mining technology of big data, discover the associations and rules existing in the data, provide important decision-making reference for managers, formulate accurate marketing strategies, and then use CRM to communicate with customers to strive to meet customer needs optimally. Improve customer satisfaction and loyalty, enhance customer value, increase corporate profits, and achieve a “win-win” situation between the company and its customers. It is this point that the application of big data technology in CRM has achieved great success.

7. Conclusion

All in all, the development of precision marketing in the context of big data has entered a new era. Big data provides the basis for accurate positioning of customers for precise marketing, targeted customer screening, accurate marketing of product information, customer satisfaction and customer management. To establish a personalized consumer communication service system for enterprises to provide conditions for enterprises to measure measurable low-cost expansion. It is hoped that more and more companies will use precision marketing to carry out their work and raise their marketing capabilities to a new level.

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