

Big data driving convergence of the CIO and the CMO



By [Gary Allemann](#)

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Data within organisations has grown dramatically - in volume, in velocity and in variety. It is data that can be used to increase profits.

In fact, Big Data, Big Impact, a 2012 World Economic Forum report, declares data a new class of economic asset, like gold. Harnessing this information is so important that it's driving the convergence of the Chief Information Officer (CIO) and the Chief Marketing Officer (CMO) roles.



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The difficulty of linking client responses to marketing activities leads to this famous quote from advertising pioneer, John Wanamaker: "Half the money I spend on advertising is wasted; the trouble is I don't know which half".

Historically, companies have had no way to capture, store and assess the unstructured mass of data that provides these insights. Big data's ability to provide organisations with a wealth of information to target new customers, communicate with and retain existing customers is of tremendous potential value to marketing.

CIOs that do not adapt to meet the needs of data driven marketing will see their roles diminish, as the CMO begins to take control of her own IT spend. Where the CIO and the CMO work together, organisations will be able to better understand the data and harness it strategically. The value lies in how quickly organisations can access, process and use this data.

The goals of organisations across sectors are to sustain and increase revenue. At the core of any company's success is its ability to engage with customers, retain their interest and convert awareness to sales. To ascertain whether advertising campaigns are correctly targeted and are having the desired impact, organisations need to understand what their target market wants and how to tailor their messaging. This is where self-service big data can help.

Big data analytics changes the marketing game

With better insight into their data, organisations are able to effectively take action. The key, however, is to find the value in the data that resides within your organisation. Predictive analysis can extract that value. For example, specific activities, such as complaining online, may be indicators of imminent churn. Similarly, activities such as a happy birthday email could have a positive effect on total customer spend. Big data analytics gives marketing the ability to measure the impact of these activities on client behaviour

Early adopters, in retail, telecommunications and financial services, have been able to target customers with more appropriate advertising, are able to provide different customer segments with appropriate channels of communication, and are able to improve their customer's experience and reduce churn.

Big data is not a silver bullet

For all its promise, big data presents many of the challenges in any other data, and some of its own.

For example, while big data reduces the cost and effort of capturing and storing high volumes of structurally diverse data there is still a cost. More importantly, these new data stores must be processed in compliance with the imminent Protection of Personal Information (PoPI) Act that requires organisations to ensure customer information is correct and that customer information that is not essential is deleted. Good data governance practises must ensure the appropriate use of all data

captured, stored and accessed, and must include a sensible data retirement plan.

Ensuring correct, up-to-date customer information is not just a legal requirement. The uncontrolled storage of irrelevant data can cause infrastructure costs to spiral out of control. Clutter and noise in the data can cause valuable insights to be hidden and ignored.

Conversely, high quality data increases the value of the intelligence provided to the organisation. The marketing team that asks the right questions, and can trust the answers received, will have a significant advantage over the competition.

What is vital is for the organisation to effectively manage this data. The CIO must partner with the CMO to enable the data centric marketing department or risk seeing his budget reduced further as marketing takes control of its own data driven future.

ABOUT GARY ALLEMANN

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