

Big Data needs big planning

By Dylan Mouratsing, *Manning Gottlieb OMD*

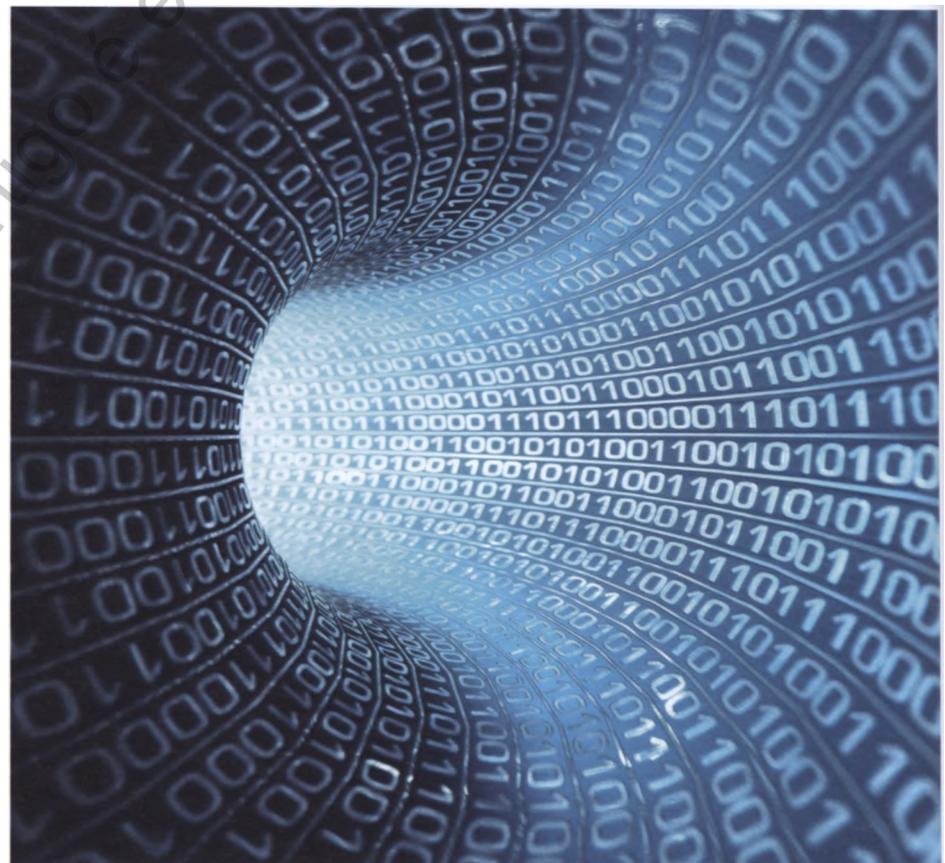
As digital media started as an emerging channel at the outskirts of agency life, and slowly drifted toward the centre of successful agencies, the new change that defines the next era for agencies will be the assimilation of data, and the related skills and infrastructure that support this. Just as digital is now often seen as a skill for all, rather than a specific team, we are now seeing the need for data literacy evolve in a similar manner.

One assumption we must challenge to achieve this is the notion that creativity and data are opposed. In fact, as we have discovered, a focus on covering new ground to make new discoveries demands more originality, not less. Where we have started to apply this thinking, we are already seeing positive results.

We are now on the cusp of an evolutionary event in marketing's development – while Big Data's short-term effects appear over-hyped to some, we risk underestimating the long-term implications. As a quirk of naming, we've focused on the volume of data available. The velocity and variety of data, to continue the Gartner 2012 definition, will also play a driving role in the shape of agencies and our outputs.

Ignoring these aspects means agencies risk losing their position as voice of the consumer in the communications process. According to the classic Stephen King/Stanley Pollitt definition of planning, agencies should use the best available data to understand the consumer, in order to then form insights to

Data literacy has many cultural and organisational implications, but it's not just about volume – the velocity and variety of data is just as important for how Big Data is used in planning



be a starting point for creative strategy. One could now argue that the precious consumer insight side of the equation is more available to Facebook, ad servers and even some clients, than to agencies.

One need only consider the number of times sample-based marketing research goes through reporting and communications hurdles, only to miss the key decision window when the findings were most useful. These are man-made limitations that were geared toward a different era, when all competitors used the same slow methodologies.

So swimming in all this new data, the problem isn't the data itself, but rather how far out of alignment we are with it. As we move to continual data absorption we have to adopt new approaches and workflows. We are already making the technical leaps necessary within pockets of our organisations, but rather than be just a team or specialism, data-centricity is one way of describing a broadly-adopted skill and mindset in itself.

Having determined that a major change has occurred in the external environment, we must now consider the implications within agency structures.

DATA-CENTRICITY

The need to reflect Big Data in agency structures is not jumping on a bandwagon, but grounded in evidence from other industries. As Melvin Conway suggested in 1968, software structures resemble the organisations that built them. Closed, monolithic companies shipped closed monolithic software, while more connected and transparent organisations were more likely to produce the opposite.

Applying Conway's Law to marketing communications, we can suggest that the more data-oriented the agency organisation, the more data-driven our work.

For this reason, we believe it is reasonable to assert that Big Data demands 'big planning' – a different mindset from everyone in the process, around engineering experimentation wherever possible, and building in the opportunity to learn from and apply the findings. An increasing proportion of client budgets should be held for such experimentation, and to act on these findings with meaningful weight.

Big planning is 'big' enough to encompass learning from data not just at the strategy stage, months before a campaign, but in-flight, on a daily basis. This is not a Band-Aid we can tack on as another team – this is a cultural shift that affects all disciplines. In fact, implications lie across the marketing landscape: creative, strategy, and even new product development. If there was any doubt, this places media agencies firmly in business partner territory, rather than media space and time middlemen.

As this relationship changes, remuneration across the value chain will need to be re-evaluated. As we understand communications' impact on the sales funnel in ever-finer detail over the long and short term, auditing media on reach and frequency value alone seems increasingly archaic. It might make more sense to choose KPI goals after understanding which brand metrics deliver sales months or years down the line, and give bonuses to agencies based on the delivery of this successful long-term investment in the brand. Colin Gottlieb, CEO of Omnicom Media Group EMEA, echoed this thought at the Media360 2013 conference.

As marketing levers and consequent effects become more visible, they will be even more important to the communications planner – whose job description will focus more upon understanding these effects, and less upon administration and optimisation. Put simply, algorithms will allow planners to spend more time on creative exploration and less on process-driven tasks. Longer term, this also has the opportune effect of making our career track even more attractive to the information age's brightest talent.

A CHANGED ENVIRONMENT

The external need is driven by the increasingly quantified world brands now live in. For instance, as smartphones proliferate, the new data they produce is giving rise to whole industries springing up that would not have been possible beforehand. The camera can be used as a barcode scanner, allowing online retailers the chance to compete on the high street. And in advertising, each phone's positioning data is giving rise to hyper-relevant, location-aware advertising.

In the print world, the balance of

readership is already shifting to more trackable media – the *Financial Times* already garners more readers from its digital edition than the old familiar pink paper. Among UK adults as a whole, readership via mobile devices is growing at a rate of some 57% per year.

In TV in the UK, Sky, Virgin Media and others are overcoming significant technical hurdles necessary to target down to the household level, giving unprecedented access to what remains the home's main screen.

These data supplies related to consumer touchpoints don't just give us hundreds of new ways of seeing the consumer. They also give us equally numerous ways of adapting the brand experience we offer – on a per-person basis, but also day by day and as a campaign unfolds. These data have applications beyond communications. They can give rise to marketing insights to rethink products or even whole categories. For these reasons a data-centric approach to agency structures and processes is becoming increasingly essential. As a consequence, in many instances, this leaves less room for the intuition and big gambles that defined the previous era.

Standardising how data is absorbed creates streamlined workflows and saves on our main cost – time. This can then be reinvested in optimisation and experimentation efforts. A Boston Consulting Group study commissioned by Google found that some four days out of five spent by digital marketing executives were currently committed to activities unrelated to improving campaign performance.

The time wasted in manual reporting and analysis workflows demonstrates the tremendous need in this area. Those that grasp the nettle soonest will have an undeniable advantage over those that are still tied up by multiple workflows, reporting and manual data conversion. This early group will also be rewarded by a happier, more adaptably-skilled workforce, ultimately leading to better work, as intellectual resource is poured into more creative exploration.

DATA-BASED OUTCOMES

The key mental shift will be toward shorter feedback loops between hypothesis, action,

and learning. The annual planning cycle arguably limits our ability to pivot and act on the findings discovered in this loop. Few would argue against the benefits of faster organisational learning resulting from faster testing cycles.

A two-speed approach may be a useful first step. This is where an underlying brand approach spanning years is supported by the application of micro-insights, 'in-flight'. Such a two-speed approach to evaluation and application of communications strategy is supported by one of the findings of Les Binet and Peter Field in their most recent analysis of the IPA DataBank, which focused on balancing short- and long-term strategies.

"Big planning is 'big' enough to encompass learning from data, not just at the strategy stage, but in-flight on a daily basis"

Looking among almost 1,000 IPA Effectiveness Award campaigns, they discovered a link between communications purpose and the timing of the outcome. Those campaigns oriented around response paid back in the short term but not the long - Rol typically tailing off within six months. Brand-led activity, however, gave negligible immediate response but then paid back over anywhere between six months and three years (and presumably longer).

Rules of thumb such as this give us a starting point for our data collection, analysis, and strategic efforts, and remind us to maintain focus on both short- and long-term objectives. This example also frees us from the notion that data is only useful in monitoring response, by encouraging thought around softer metric data collection that relates to long term data collection.

Many of our clients are taking this approach already. For instance, one client has a carefully curated set of brand traits, that form a distinctive personality versus their rivals, and forms a sturdy backbone for all communications. However, in terms of media and message experimentation, customer acquisition is driven by an

increasingly fast feedback loop between hypothesis, experimentation and optimisation.

On the experimentation side, something as simple as a white board for hypothesis building and refutation improved our agility and learning for this client. In this way, particular communications ideas can be tested and the effective ones form part of the canon - be they unusual search keywords, a new moment to target, or a hunch around emerging interests that steers us toward a niche channel.

Another client we work with included a longer-term approach but achieved a similar goal of increased data outputs to learn from.

In one year, we were able to switch from a mainly intuition-led approach with little evaluation, into a test/learn model with a close coupling to results.

Crucially, we also shortened the annual campaign plan into monthly chunks, effectively allowing 12 times the experimentation of different approaches. This ramp-up of trial and learning accelerated conversations away from dead-ends, and toward an optimal approach sooner.

EXPERIMENTATION LEADING TO ORIGINALITY

The hunt for originality and experimentation is not a vain exercise. Meta-analysis carried out by James Hurman (*The Case for Creativity*, 2011) linked creativity and business effects beyond reasonable doubt. He observed a consistent trend over several years, in multiple markets internationally - creatively-awarded agencies were consistently more likely to do well in effectiveness awards than their less-creative counterparts. So we can conclude that any effort to accelerate an agency's originality, and zone in on pushing the right brand metrics sooner, will be more

likely to exceed client goals with more regularity.

While many consider data-centricity equates to the elimination of creativity, our experience so far has proven if anything that we have had to be even more original in order to keep testing new hypotheses - feeding new variables in, applying the outcomes and repeating even faster.

The outcome of data-centric agencies is by definition better attunement with consumer needs, returning us to the very foundation of account planning as a discipline. This advanced attunement to the consumer means that we should be willing to lead clients in many instances, with the goal of developing together. We have also seen that this exercise is not in vain, but more likely to exceed KPI goals and grow brands over the long term.

Transformation will not be straightforward in many instances. We must reiterate the benefits to each stakeholder involved. Junior staff members focus on strategic problems sooner. Senior people g' to understand the drivers of effectiveness quicker. Clients reduce risk, as shorter feedback loops afforded by evidence-based planning means many, smaller gambles, with a lower risk of failure overall. This ensures marketing budgets are even more defensible to strenuous CFO inquiry, and so more likely to grow.

A checklist for data-centricity:

- Encourage clients to experiment by showing them the flexibility needed to trial
- Streamline reporting and eliminate duplication, and appoint guardians to each data source to manage relationships and efficient flows.
- Instigate a scientific culture by working in appropriate experimental designs with planners.
- If possible, set up shorter planning cycles where learning can be applied, to run alongside conventional long-term strategic planning.
- Manage push-back by highlighting the increased creativity needed by an experimentation culture, and focus on the improved business results.



more on Big Data at
www.warc.com