

The role of marketing big data on a South African brand activation agency's strategy

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ABSTRACT

Big data is a term that has become widely used across various sectors and industries, but the critical factor is how this information is being used to add value to organisations. Those that can use big data effectively will be able to stay ahead and remain competitive.

With the recent shift in power in the retail environment where activation agencies no longer have control over the in-store promotions of clients, there comes a need to reassess and reevaluate long-term strategies. Activation agencies of the future need to be able to innovate and start creating new opportunities to reach their clients' consumers.

A large amount of research has been done on big data and how it could assist companies to gain real insights with just one of the options being the opportunity to use big data to better segment customers and therefore enable more personalised targeting for products and services. There is currently no prior research directly linking this to the activations environment.

This study assessed the influence, not just of big data in the below-the-line marketing environment, but specifically of marketing big data on a brand activation strategy in South Africa. It found that there was a definitive impact that could be realised.

The study was exploratory in nature. The data was collected through in-depth semi-structured interviews with a convenience sample of experts. The data was then analysed to produce themes relevant to the research propositions.

The research did find that it would be viable for the executives of a brand activation agency, to proceed with a business unit that is dedicated to delivering solutions to their clients regarding consumer behaviour by using marketing big data as part of their strategy. Recommendations are then made on possible implementation as well as an

agency model of the future. The timing of the implementation plan is dependant on the investment that can be made by the agencies.

DECLARATION

I, Verusha Kershia Maharaj, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

VERUSHA K. MAHARAJ

Signed at

On the day of 2017

DEDICATION

I would like to dedicate this to my parents, Kamal and Venassa Maharaj, my very own guardian angels, who I know are constantly watching over me from the heavens above. It is only because of the two of you I have learned that nothing in life is meant to be easy, but we never give up.

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to investigate the perceived impact of marketing big data in the South African below-the-line marketing environment and to evaluate the relative importance of this in the strategy of a brand activation agency. The objective is to identify if marketing big data could affect the strategic direction of a brand activation agency in South Africa.

1.2 Context of the study

Brand activation agencies are in the business of providing solutions to companies that assist in bringing their brands to life. There are currently many players in this market with the largest being The Creative Counsel (TCC) (www.creativecounsel.co.za). TCC was founded in August 2001 as an in-store promotions specialist. They now employ in excess of 650 permanent staff and are the largest activations agency in South Africa, responsible for approximately 55 per cent of all in-store promotions countrywide (Adreview, 2014). On an average weekend, TCC places 15000 promoters in and out of store (Kruger, 2015).

The activations industry has undergone major transformation recently with the development of in-house promotions in Pick n' Pay stores. Brands are no longer allowed to use their own agencies to place promoters in selected Pick n' Pay stores as of August 2014 (Kruger, 2015). This has seen Pick n' Pay forcing brands to use Pick n' Pay internal promoters to drive sales of their products in stores. In addition to this, strict guidelines for placement of in-store promoters have been implemented by Clicks. Some of the restrictions include the banning of brand specific uniforms when a promoter is placed in store. All promoters now need to wear Clicks generic uniforms across the country (Taylor, 2016).

A study on consumer brand marketing, through full and self-service channels in an emerging economy, highlights that it is important to tailor products and programmes within retailers to increase return on investment in emerging economies. With South Africa being an emerging economy, this is an important statement to note within the marketing context (Venkatesan, Farris, Guisspni & Neves, 2015).

In addition, he goes on to say that it will become a necessity in the future, not just for profit, to utilise non-traditional channels and find revolutionary ways to target consumers in emerging economies (Venkatesan, et al., 2015).

The above is likely to be a contributing factor that has seen the number of in-store promotional days at TCC drop from January 2014 to January 2015 (Kruger, 2015). Due to this, more and more clients are trying to find new ways to reach consumers and understand their consumers' purchasing behaviour (Neu Ner, 2015).

In recent years, due to the above, in conjunction with changes in technology, there have been drastic deviations in shopper behaviour. This has led to an emergence of new mechanisms to help shoppers make their buying decisions. They are now able to access product catalogues, pricing and in-store promotions at the click of a button on their mobile phones and at any time (Silveira & Marreiros, 2014).

It is of paramount importance for brands and agencies, that wish to stay relevant and ahead in the current economy, to determine new and innovative ways to engage with shoppers. The ability to trigger and influence buying behaviour is key. In order to do this marketers and agencies need to thoroughly understand the needs of both the shopper and the consumer. The benefit for the shopper is more personal experiences and the benefit for the brand is ultimately brand equity through tailored brand activation (Silveira & Marreiros, 2014).

Having said this, there are still massive barriers that exist in terms of trying to influence buying behaviour. In order to fully understand shoppers and their unpredictability, brands require substantial information on their buying patterns, behaviours and trends.

Big data has become a buzz word across many brand managers that utilise the services of TCC. According to a report done by the McKinsey Global Institute, analysing big data is going to become a key basis of competition. The report outlines what they found to be five broad ways that big data can create value, one of which is the ability to better segment customers and then provide truly personalised products and services. It goes on to say that companies are able to use data-driven strategies to stay ahead and keep competitive (Brown et al., 2011).

There have been substantial developments in the area of digital communication that is led by data. This enables marketers to tailor content and segment target audiences. The way in which consumers interact with their mobile phones, in itself, creates data in real time (Carah, 2015).

Depending on what is done with this data, there is the possibility of unlocking real potential. Organisations have the ability to create a sustainable or temporary competitive advantage. They can do this by implementing improved decision making brought about by big data that provides consumer insights and therefore enables relevant marketing activities (Erevelles, Fukawa & Swayne, 2005).

A statement made by Dale Neef that “big data underpins digital advertising and customised individual marketing” (Neef, 2014, p. 18-19) leads into a discussion around the role of the Chief Marketing Technologist who needs to be able to make decisions in expanding a company’s technology-enabled marketing competencies. This new role has come about due to the increase in technology and Gartner, the research and consulting firm, predicted in 2012 that by 2017, a company’s chief marketing officer would be spending more on technology than its chief information officer was (Brinker & McLellan, 2014).

With these new concepts, an agency of the future would need to understand how all of this can be used to innovate and create further opportunities. This research focuses on how the transformation of big data in the marketing environment could impact an activation agency strategy.

1.3 Problem statement

1.3.1 *Main problem*

To assess the perceived impact of marketing big data in the below-the-line marketing environment and evaluate the relative importance of this in the strategy of a brand activation agency in South Africa.

1.3.2 *Sub-problems*

Sub problem 1: To investigate marketing big data in relation to the below-the-line marketing environment.

Sub problem 2: To determine the impact that marketing big data may have on the strategy of a brand activation agency.

1.4 Significance of the study

There has recently been an increasingly large volume of research done on big data and the role it would play in assisting organisations to gain richer and deeper insights leading to a competitive advantage (Sinanc & Sagioglu, 2013).

In addition, a great deal of focus has been placed on the emerging Chief Marketing Technologist. This indirectly speaks to below-the-line marketing and the impact that big data, as one form of technology, could have on the marketing industry overall. The United States is thus far, leading the way with these studies and not a lot has been done locally.

This study fills a gap, in that it assesses the influence, not just of big data in the below-the-line marketing environment, but specifically of marketing big data on a brand activation strategy in South Africa.

The study assists the executives of a brand activation agency, to determine whether or not it is viable to proceed with a business unit that is dedicated to delivering solutions to their clients regarding consumer behaviour by using marketing big data as part of their strategy.

1.5 Delimitations of the study

- The study was limited to the internal data of only a few activation agencies clients in South Africa
- This study only looked at the impact of marketing big data in the below-the-line marketing environment and references to above-the-line marketing were excluded
- Furthermore, the study did not look at examining the impact of marketing big data from an outsourcing point of view
- The research did not cover big data sources
- Furthermore this research did not cover any technical relationships or comparisons of big data within marketing industries
- This research did not delve into any cost implications of a revised strategy in activations
- The study did not include the opinion of the end consumer.

1.6 Definition of terms

- Big Data: *“Big data” is high-volume, - velocity and variety - information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision making* (Gartner IT Glossary, n.d.)
- Below-the-line marketing: Where direct media are used to drive brands and target consumers
- Brand activation: Experiential media that are used to drive engagement between brands and consumers that lead consumers to act or transact
- Above-the-line marketing: Where mass media is used to drive brands and target consumers

- Chief Marketing Technologist: A new emerging role that combines the use of technology and marketing to drive brand objectives
- Digital advertising: The use of internet technologies to drive brands and target consumers
- Strategy: A long term plan designed to achieve a company's goals in order to gain a competitive advantage

1.7 Abbreviations

The Creative Counsel - TCC

1.8 Assumptions

The following assumptions were made during the study:

- That data collected in all interviews have been completed honestly and accurately
- Access to information regarding the strategy of a brand activation agency was obtained from executive management through interviews and this was accurate
- The transformation in the activations industry and the need to innovate would lead a brand activation agency to consider marketing big data as a tool
- There are currently no activation agencies utilising big data as part of their strategy in South Africa.

CHAPTER 2. Literature Review

2.1 Introduction

This chapter provides an overview of literature that relates back to the discussion that was initiated in Chapter one. It starts off by reviewing the below-the-line marketing environment, showing how activation agencies form part of this industry. It then goes on to explore the theme of big data and the uses and impact big data has had within other industries and sectors. Lastly, it shows how strategy adoption is influenced by the age of transient advantage and experience economy which all relate back to the strategic direction of an activation agency.

2.2 Below-the-line marketing environment

2.2.1 *Below-the-line marketing*

Below-the-line marketing or advertising has been broadly defined as marketing that uses media that are non-mass media related, in other words, marketing that does not include print, television, out-door/out of home billboards and posters and radio.

Traditionally, below-the-line includes, but is not limited to price reductions/promotions, events, point of purchase displays, direct marketing, email marketing, mobile promotions, public relations, sponsorships, trade shows/events and exhibitions and sales catalogues (Carter, 2003). The concept of below-the-line arose from the fact that these items were usually charged at a fixed fee and therefore did not appear above the line on an agency's bill (Carter, 2003).

According to Peter Kim, marketing budgets in the 1960's in the United States were more or less equally split between above and below the line. This changed to a 2:1 split in favour of below-the -line by 1989 as marketers believed that this worked better for short-term results (Kim, 1992). This shift in thinking resulted in increased confidence in

promotions and below-the-line marketing.

In the current marketing environment there is an overwhelming amount of marketing and communication clutter due to the increasing saturation of digital and social networks such as Google, Facebook, Twitter and smartphone usage. This means that big TV advertising spenders cannot guarantee a return on investment any more from just pushing above-the-line media channels (Lieberman, 2014).

This has also contributed to the fact that the shift in marketing spend towards below-the-line marketing has increased over the last decade.

2.2.2 *Experiential marketing as a sub-set of below-the-line marketing*

Experiential marketing is a completely different way of doing marketing in that it is not just about customers being content with products or services, but instead, it is about forming an emotional connection with the consumer and the product or service. Currently, marketing cannot follow traditional concepts as it is more difficult to do so with media being fragmented. This gives rise to experiential marketing becoming more and more important in order to create an on-going emotional connection with consumers (McCole 2004).

Taking a brand and what it stands for and using an experience to bring that to life is what is at the core of experiential marketing. The shift from traditional marketing to experiential marketing highlights the issue around being able to segment customers. With traditional marketing, it is quite difficult to market the same product to two people with a wide age gap. Experiential marketing allows for consumers to be targeted based on values, needs or preferences. Once the emotional connection is created, customer loyalty becomes more likely (McCole, 2004).

Traditional marketing views consumers as rational people that base their decisions on the functional benefits and uses of a product. Contrary to this, experiential marketing views consumers as emotional beings who are concerned more with receiving experiences. Experiential marketing aims at creating individual experiences that are

holistic (Schmitt, 1999). Schmitt (1999, p. 53-54) defines three reasons why the shift to experiential marketing has occurred:

1. *The Omnipresence of Information Technology*
2. *The Supremacy of the Brand*
3. *The Ubiquity of Communications and Entertainment*

Again showing that the digital era and blurred definition of media make it easier for brands to have a two-way communication with consumers, as opposed to a one-way product dictatorship.

Schmitt has also developed the idea of *customer experience management*. This is defined as “the process of strategically managing a customer’s entire experience with a product or company”. He outlines five types of experiences that brands can create (Schmitt, 1999, p. 61-62):

- *Sense: experiences involving sensory perception*
- *Feel: experiences involving affect and emotions*
- *Think: experiences which are creative and cognitive*
- *Act: experiences involving physical behaviour and incorporating individual actions and lifestyles*
- *Relate: experiences that result from connecting with a reference group or culture*

This is reinforced by the literature that shows that brands are increasingly utilising unconventional forms of marketing activities, such as guerrilla marketing. The aim of this is to drive on-line talkability and create loyal consumer bases. (Keller & Lehmann, 2006)

Recent research shows that there might be a contributing link between brand equity and brand experience where consumers are more likely to chose one brand over another in line with the experiential value they receive from the brand. This in turn, will drive brand loyalty (Qadar & Omar, 2013).

The increased use of experiential marketing has developed due to the difficulty that marketers have in building their brands in a highly competitive environment. It has been

seen as a way to drive competitive advantage in a cluttered marketing world. More importantly, it has been realised as a way to drive brand loyalty. More recently, specialists have started to effectively build electronic and web based practices into experiential marketing initiatives (Tynan & McKechnie, 2009).

2.2.3 *The South African activation agency industry*

The concept of activations falls directly under the definition of below-the-line marketing forming part of experiential marketing, in that it is all about providing solutions to companies that bring their brands to life, across many direct non-mass media, with the end result driving consumers to act or transact (Neu Ner, 2015).

After the shift to below-the-line discussed above, more and more companies in South Africa, with previous operational experience, started to change strategic direction and offer activation solutions. Not many companies could withstand the pressure of significant capital outlay for human resources as well as the long payment terms defined by large FMCG brands in South Africa (Neu Ner, 2015).

Currently there are three main players in South Africa namely 1. The Creative Counsel (TCC), which were founded in 2001 and is now the largest activations agency in South Africa (Adreview, 2014). 2. Provantage Media, who are an out of home media business and since inception in 2003, have added new services such as activation, transit, TTV (in taxi television), outdoor, tavern and events and 3. Compass Communications, who are part of the Brand Active division of Smollan. They have been in the industry since 2006, and focus on three main areas – in store promotions, mall promotions and brand activation.

Target clients for the above agencies are ultimately all companies/brands that have a marketing budget to spend. They have varying needs and wants ranging from brand awareness, new product launches, re-launch of existing products/services or sales drives.

A closer look at these agencies and their previous work show mixed use of integrated marketing communications across the following model developed by Hartley and Pickton (1999, p. 103).

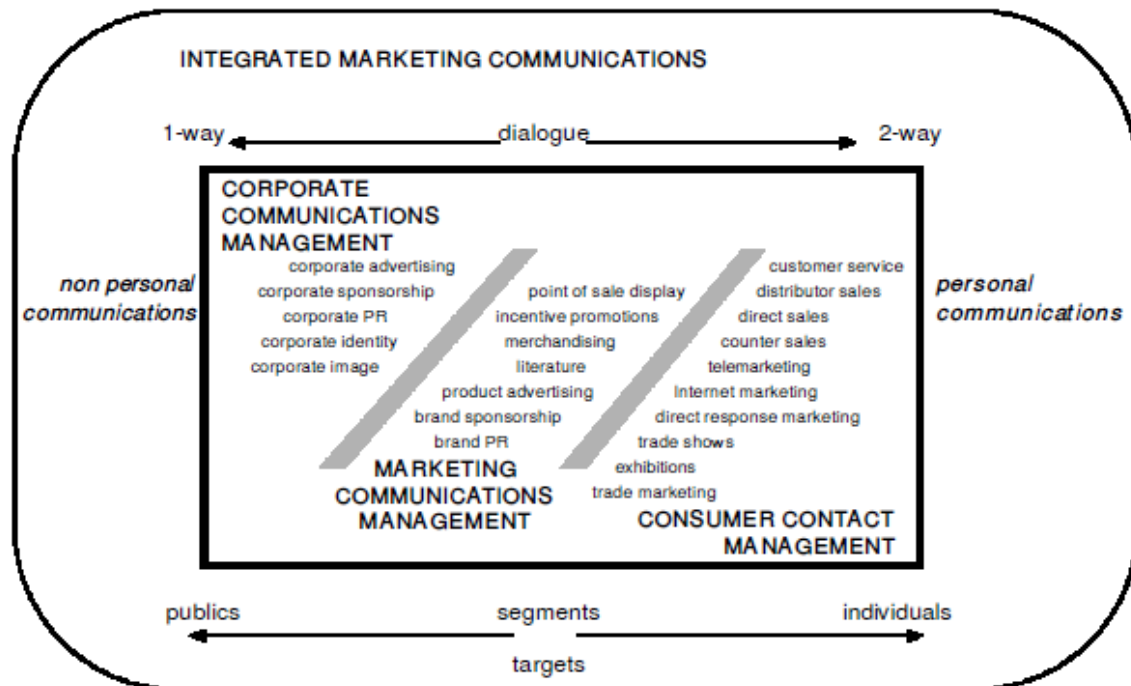


Figure 2.1: Mindscape of integrated marketing communications (Hartley & Pickton, 1999, p. 103).

2.3 A review of big data

2.3.1 *Big data defined*

Big data as defined by the McKinsey Global Institute (2011, p. 1), refers to "datasets whose size is beyond the ability of typical database software tools to capture, store, manage and analyse". They do not include actual size as an indicator of big data. They also go on to state that it is completely relevant to leaders in all spheres as well as everyone that utilises digital technology (Brown et al., 2011). Whilst data has always been around, advances in technology and trends have created new scope for big data.

Many studies believe that big data is going to create a new platform for organisational capabilities. It is stated that big data is going to become much more than just improved data analysis (Davenport, Barth & Bean, 2012). It is also mentioned that those who will benefit by using big data are those that rather focus on moving it into their core business as opposed to those that keep it within an IT function.

The value in big data is created by its use in driving innovation, productivity, efficiency and growth (Tene & Polonetsky, 2012).

Those organisations that are able to take data and convert that into deep insight resulting in an action are those most likely to succeed in the era of big data. A survey conducted by MIT Sloan Management Review and IBM Institute for Business Value across almost 3000 executives, managers and analysts in over 30 industries and 100 countries found that top performing companies use data analytics five times more than the lower performing companies and overall they found that this was perceived to offer value (LaValle et al., 2010).

This is directly in line with the conclusion from Ernst & Young where they document that the value in big data is from the insights that are drawn and used by organisations and not from just the information the data provides. They found that companies that are using big data are already outperforming other organisations by 20 percent (Nikolic, Moore & Naftalski, 2014).

Christer Johnson, an Advanced Analytics Leader in Enterprise Intelligence at Ernst & Young provides an apt summary on the concept of big data use “The first step in deriving value from big data should not be to ‘talk about’ how to get value from big data, but rather to start by asking ‘what business decisions should I make more efficiently and effectively.’ To use an explorer analogy, there is a reason why explorers who set out with a clear goal or destination in mind tended to be the ones we remember in history. Columbus didn’t set out to ‘get value out of the ocean.’ He sought an ocean route to China and ran ashore in the Americas on the way, ultimately gaining the insight that there was a large land mass between Europe and China to the west.” (Nikolic et al., 2014, p.4).

It is important to note that big data can add no value if the user does not understand the information provided from the big data analysis (Labrinidis & Jagadish, 2012) and this shows that companies that wish to utilise big data analysis need to gear up their human resource capabilities accordingly.



Figure 2.2: Setting the context of big data (Nikolic et al., 2014, p. 3).

2.3.2 *How big data is being used across other industries globally*

The McKinsey Global Institute have identified in their report, five sectors where big data has abundant potential and which contribute largely to the global economy. These include Healthcare and Retail in the United States, Public Sector Administration in the European Union and Manufacturing and Personal Location Data globally. For each sector, they identified gears that could be used to create value using big data and then built a tool to generate the potential contribution to the economy in monetary worth. This is summarised in the figure below (Brown et al., 2011, p. 8).



Figure 2.3: Big data can generate significant financial value across sectors (Brown et al., 2011, p. 8).

In addition, the report identified five key ways that big data can create value:

1. Creating transparency
2. Enabling experimentation to discover needs, expose variability, and improve performance
3. Segmenting populations to customise actions
4. Replacing/supporting human decision making with automated algorithms
5. Innovating new business models, products and services

Google analytics utilises a browser's historical data based on people's past activities and can use this to highlight patterns in their behaviour. They then use this to make product recommendations. It is also possible to use big data from social media to engage in two way marketing with consumers as opposed to traditional one way marketing (Chen & Chiang, 2012).

Siri, which is Apple's version of a mobile personal assistant, uses data to answer questions, the base of which is increasing on a daily basis. Match.com which is an online dating site, sifts through data provided by users and using algorithms provides potential partners to these individuals (Lohr, 2012).

Table 1 shows how big data can be used across different sectors using business intelligence and analytics. It can be seen that the authors believe that there are fixed characteristics present and specific analytics that can be used for each sector (Chen & Chiang, 2012). All impacts mentioned have measurable outputs and this can be used in future analysis.

Table 2.1: From big data to big impact (Chen & Chiang, 2012, p. 1173).

	E-Commerce and Market Intelligence	E-Government and Politics 2.0	Science & Technology	Smart Health and Wellbeing	Security and Public Safety
Applications	• Recommender systems • Social media monitoring and analysis • Crowd-sourcing systems • Social and virtual games	• Ubiquitous government services • Equal access and public services • Citizen engagement and participation • Political campaign and e-polling	• S&T Innovation • Hypothesis testing • Knowledge discovery	• Human and plant genomics • Healthcare decision support • Patient community analysis	• Crime analysis • Computational criminology • Terrorism Informatics • Open-source Intelligence • Cyber security
Data	• Search and user logs • Customer transaction records • Customer-generated content	• Government information and services • Rules and regulations • Citizen feedback and comments	• S&T instruments and system-generated data • Sensor and network content	• Genomics and sequence data • Electronic health records (EHR) • Health and patient social media	• Criminal records • Crime maps • Criminal networks • News and web contents • Terrorism Incident databases • Viruses, cyber attacks, and botnets
	Characteristics: Structured web-based, user-generated content, rich network information, unstructured informal customer opinions	Characteristics: Fragmented information sources and legacy systems, rich textual content, unstructured informal citizen conversations	Characteristics: High-throughput instrument-based data collection, fine-grained multiple-modality and large-scale records, S&T specific data formats	Characteristics: Disparate but highly linked content, person-specific content, HIPAA, IRB and ethics issues	Characteristics: Personal identity information, incomplete and deceptive content, rich group and network information, multilingual content
Analytics	• Association rule mining • Database segmentation and clustering • Anomaly detection • Graph mining • Social network analysis • Text and web analytics • Sentiment and affect analysis	• Information integration • Content and text analytics • Government information semantic services and ontologies • Social media monitoring and analysis • Social network analysis • Sentiment and affect analysis	• S&T based domain-specific mathematical and analytical models	• Genomics and sequence analysis and visualization • EHR association mining and clustering • Health social media monitoring and analysis • Health text analytics • Health ontologies • Patient network analysis • Adverse drug side-effect analysis • Privacy-preserving data mining	• Criminal association rule mining and clustering • Criminal network analysis • Spatial-temporal analysis and visualization • Multilingual text analytics • Sentiment and affect analysis • Cyber attacks analysis and attribution
Impacts	Long-tail marketing, targeted and personalized recommendation, increased sale and customer satisfaction	Transforming governments, empowering citizens, improving transparency, participation, and equality	S&T advances, scientific impact	Improved healthcare quality, improved long-term care, patient empowerment	Improved public safety and security

Big data is also seen as a tool that can be used to address and provide potential solutions for issues across a broad range of topics such as cancer research, terrorism and climate change (Boyd & Crawford, 2012).

A report entitled *The Meaningful Use of Big Data: Four Perspectives – Four Challenges* highlights how the United States has been utilising a data driven approach in the healthcare sector to solve queries that come up across the country at various institutions (Bizer, Boncz, Brodie & Erling, 2011).

Omer Tene and Jules Polonetsky provide examples of how big data is being successfully used again across multiple industries. Adverse effects of a drug were found through big data analysis, leading it being pulled from the market. Google Flu Trends, using search data, can point out flu outbreaks, that then assists with precautions and reduces the impact of the infection. Data driven innovation can also be seen in traffic management with the use of electronic tolling whereby payment is unique to each user (Tene & Polonetsky, 2012).

Michael Lieberman, at a digital research conference in 2014, highlighted that big data could even be used visually to show trends and insights. An example was used whereby data mining for a major supermarket chain in the United States was done. It revealed trends such as the fact that the best selling items were not those that should be put on special. The data was put into clusters and from there the stores could determine which products to group together to deliver a high return when running a price promotion. (Lieberman, 2014)

Lastly, another example of big data utilisation is within the retailer group, Target, in the United States. They develop consumer insights and behavioral patterns from big data. In practical terms, they have the ability to estimate whether a female shopper is pregnant, sometimes even before her own family is aware. They will then target this shopper with content around baby items to try and influence her purchase decisions before their competitors have the chance to engage with her (Erevelles, et al., 2015).

2.4 The next era of strategy

2.4.1 Strategy defined

According to Michael Porter, there are three key principles that underpin strategic positioning:

- “1. Strategy is the creation of a unique and valuable position, involving a different set of activities.*
- 2. Strategy requires you to make trade-offs in competing—to choose what not to do.*
- 3. Strategy involves creating “fit” among a company’s activities” (Porter, 1996, p. 1).*

Simply put, strategy is the plan of how you will execute your activities differently to ensure that your overall predefined objectives will be reached.

It is not sufficient for organisations to just be operationally effective, they need to ensure that they have a unique competitive advantage that has a strong degree of sustainability. It is very easy for competitors to imitate operational efficiencies so it is up to organisations to ensure that the differences can be maintained (Porter, 1996).

2.4.2 Transient advantage theory

The idea of a sustainable competitive advantage is almost impossible in the fast paced world of business today. There are no longer defined lines between industries and organisations and customers are becoming increasingly unpredictable which makes it very difficult to keep a long-term competitive advantage. This leads to the theory of transient advantage, learning to generate new strategic ideas faster and repeatedly (McGrath, 2013).

Rita McGrath defines eight steps that can be used in the strategy for transient advantage. Relevant points include the fact that organisations should no longer only look within their own industries as competitors can come from any industry. The idea that customers need experiences and not purely just solutions to their problems (McGrath, 2013) is an important one in that it leads to the next wave of strategy – the experience economy.

2.4.3 The experience economy

"Experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized" (Pine & Gilmore 1999, p. 97).

A study found that for something to be defined as an experience, it needs to include one or more of the following on the side of the consumer; personal relevance, novelty, surprise, learning and engagement (Poulsson & Kale, 2004). Customising an experience is the next step in economic value for an organisation (Pine & Gilmore, 1999).

IBM, in a study, noted that companies wanting to capitalise on brand loyalty needed to unlock customer experiences as a differentiator (Badgett, Boyce, & Kleinberger, 2007). It has been claimed that the rise of Starbucks is purely due to their ability to invent innovative experiences for those that consume their coffee (Michelli, 2007). It is no longer sufficient for marketers to focus on using pricing strategies to gain a competitive advantage, they need to rather use differentiation in the form of experiences (Verhoef, et al., 2009).

Research shows that consumer involvement with a brand based on experience has a greater effect than pure product interaction. It can deliver a more profound experience that can produce more confidence in the brand (Qadar & Omar, 2013).

In a world where the consumer is more connected than ever, it is no longer enough to be creating value for the consumer by focusing on a product's intrinsic and extrinsic features. Nowadays what seems to satisfy consumers are personalised experiences.

The concept of co-creation experiences results in two-way communication between organisations and their consumers as well as organisations starting to create value based on what the consumer wants rather than what the organisation assumes that they want. New sources of competitive advantage can be unlocked here by those that are able to allow customers to co-create their own unique experiences (Prahalad & Ramaswamy, 2004).

2.5 Conclusion of literature review

The literature review presented three concepts related to the two sub-problems identified in Chapter one. There is currently a lack of research on South African activation agencies in general, and further to that, there is nothing relating them to marketing big data. The literature does show that big data is a phenomenon that can create value across many sectors if used effectively to deliver insights. As the link between strategy and the experience economy continues to grow, these insights could be used to create experiences for consumers.

The literature review leads to the following two research propositions:

2.5.1 *Research Proposition 1*

The strategic direction of an activation agency in South Africa is influenced by the impact marketing big data has to create experiences for consumers.

Experiential marketing has gained traction not just in Western markets, but also in emerging markets. Focusing on consumer experiences that ultimately lead to consumption, and thereafter, brand loyalty, is at the cornerstone of experiential marketing. In order to understand consumers well enough to create this form of marketing, a broader range of research methods is required (Atwal & Williams, 2009) and big data could form part of this process.

2.5.2 *Research Proposition 2*

The impact of marketing big data is not sufficient to change the strategic direction of an activation agency in South Africa.

Whilst marketing big data could be used to create more unique experiences for consumers within the current experience economy, the cost of generating a new department dealing solely with data analysis might not prove enough of an overall competitive advantage. The Ernst & Young report mentions the fact that many businesses may not be able to ‘take-off’ as the skilled resources required are too expensive or not available at all (Nikolic et al., 2014).

CHAPTER 3. Research Methodology

3.1 Introduction

This chapter aims to describe the research methodology and design used in the study to address the research propositions outlined in chapter two. Firstly, the chapter discusses the research paradigm and design. Thereafter, it examines the sample size, population and research instrument used.

It then details the data collection process, as well as the data analysis methods used and finally, touches on the relevant limitations, validity and reliability concerns.

3.2 Research Paradigm

The research approach for this study is a qualitative methodology. According to Creswell (2003), this approach allows the researcher to develop themes by collecting open ended and emerging data. Due to the fact that there is little to no existing research on this topic and no existing data to work with, the best approach is a qualitative one. What makes qualitative research relevant in this case is that the researcher has the ability to observe and empathise with the interviewees. This in turn, gives the researcher the opportunity to view the answers as the respondents view them (Taylor, 2015).

In this study, since there is no pre-existing data or related information, the researcher is able to develop insights from the collected data, rather than collecting data to test existing theories as is the case with quantitative methodologies (Taylor, 2015).

The research methodology in any study is underpinned by a research paradigm. When trying to understand a paradigm it can be understood as a set of primary ideals or beliefs that deals with how someone sees the world (Guba & Lincoln, 1994). Fundamentally, they are seen as primary beliefs because there is no way to prove these beliefs as correct or not correct. This study has been conducted using an interpretivist/constructivist

paradigm. Ponterotto (2005) defines the interpretivist as a relativist position that assumes multiple, apprehendable and equally valid realities.

The data collected in this study requires the researcher to utilise individual perceptions and beliefs to draw conclusions and understanding around the topic presented. Based on the data drawn from the respondents, the researcher is able to make informed theories.

3.3 Research Design

The research design utilised needs to link the selected research paradigm to the data collection methodology (Richardson, Denzin & Lincoln, 2000).

The research involved investigating potential opportunities that big data has created in the marketing industry and therefore marketing agencies. Big data is a relatively new concept that marketers are trying to understand and not much, if any, analysis has been done on the impacts that this has on a marketing agency's strategy and even less so, in a South African context. The research is therefore an exploratory study as the aim is to understand the impacts of big data through the eyes of the relevant marketing experts in the field.

The information gathered was taken in a relatively small window period and in context, a single point in time and is therefore, also a cross-sectional research design.

3.4 Population

The sample population for this study included both agency respondents and client respondents. The agency respondents were selected from creative and/or mobile data service agencies.

The client respondents included marketing/brand managers and employees and senior executives that outsource, or would potentially outsource, marketing activities for their companies.

There was an even split between the agency and client respondents in order to ensure that there is no bias or skew to any one type of perception. All respondents have utilised or interacted with activations in the past.

3.5 Sample size and sampling methods

The sample included individuals across various companies and operational levels. Only those within a marketing background or context were approached to be interviewed. Both agencies and clients were used for this study.

Expert sampling was used because of their involvement in the activations industry and the network of interviewees was used to receive more referrals for interviews. A total of 16 people were approached for interviews and 14 were finally interviewed.

Table 3.1 lists the respondents and provides background information showing their role within each of their organisations. The respondents were from Unilever South Africa, Energizer South Africa, BMW South Africa, Arc South Africa, Future Force, Fusion, Vetro Media, Unit 5 – a division of The Creative Counsel, Jet Mart, EOH South Africa and Honeywell South Africa.

Table 3.1: List of Interviewees

Respondent	Organisation	Role
Agency Respondents		
AG01	Local mobile platform and brand partnership company	General Manager (GM)
AG02	Creative studio within a local	Head of Strategy

	agency	
AG03	Creative studio within a local agency	Executive Creative Director
AG04	Local mobile and digital marketing company	Managing Director (MD)
AG05	Creative studio within a local agency	Creative Director
AG06	Local sales, field and merchandising solutions company	Head of Department – Business Intelligence and Systems
AG07	Global CRM, direct marketing and data driven agency that specialises in digital and consumer engagement	Chief Executive Officer (CEO)
Client Respondents		
CM01	Global technology and business solutions company	Head of Strategy and Innovation
CM02	Global luxury motorvehicle company	Brand Manager

CM03	Global software solutions company	Regional Marketing Manager – Sub Saharan Africa
CM04	Local clothing retailer	Marketing Director
CM05	Global battery manufacturing company	Marketing Manager
CM06	Global consumer goods company	Marketing Manager
CM07	Global consumer goods company	Marketing Director

3.6 Research Instrument

The research used semi-structured interviews as the main source of data collection. This was identified as the best research instrument for the purpose of this study. Respondents were asked a list of pre-defined questions, but also a number of follow-up questions on any relevant topics arising or additional questions to clarify statements.

Trial interviews were held in order to test the robustness of the interview guides. This informed the researcher's use of two sets of interview guides. The benefit of using a guide, according to Bryman (2012), is that it allows the conversation to remain focused on key concepts. The first interview guide was created for the client respondents. This guide was then adapted for the agency respondents in order for the questions to remain relevant.

This methodology relied heavily on perception. This could be seen as a disadvantage due to possible bias that could skew both the client and agency the respondent data.

3.7 Data collection

The interview process consisted of an initial email sent out, requesting participation in the research. After the initial email, several emails and phone calls took place to candidates who did not respond. Those that declined were not asked again. All participants were based in South Africa and this made it a relatively smooth process to schedule the interviews. All participants were asked to sign a consent form giving the researcher permission to record and utilise the data gleaned from the interviews.

All interviews that took place were face-to-face interviews. This data collection method is preferred over other forms of digital research in research of this nature. The reason for this is because the way in which responses are provided may add further insight and provide further context to the information received. (Bryman, 2012)

The researcher recorded the audio of the interviews and took notes as necessary. The interviews lasted between twenty and forty five minutes each. This was dependant on how knowledgeable the respondents were on big data.

Once the interviews were completed, the interviews were transcribed verbatim and stored according to respondent codes that were created for the purpose of this research. To demonstrate this, AG01 is an example of an agency respondent code and CM01 is an example of a client respondent code.

3.8 Data analysis and interpretation

The data processing and analysis method used in this study is a thematic analysis as this is most useful in comparing different themes and interviewee answers in the form of a matrix. This in turn makes it easier for the researcher to order and synthesise data. Aronson (1995) states that thematic analysis focuses on identifiable themes and patterns of living and/or behaviour.

One of the benefits of thematic analysis is the way it can be extremely flexible. Within qualitative research, thematic analysis is a method for identifying, analysing, and reporting within a data set. It organises and describes data in rich detail. (Braun & Clarke, 2006)

First, all transcripts were read multiple times in order to identify an initial code list. These codes were then shortened into a refined code list as duplicates or similar codes were deleted. These codes were then arranged into similar patterns called themes. The researcher made sure that the final list of themes and sub-themes was relevant to the research propositions. Finally, a thematic framework was created from the remaining themes. This process is highlighted in figure 3.1.

The interpretation of the themes, sub-themes and related data is what forms the basis of the conclusions and recommendations of this study.

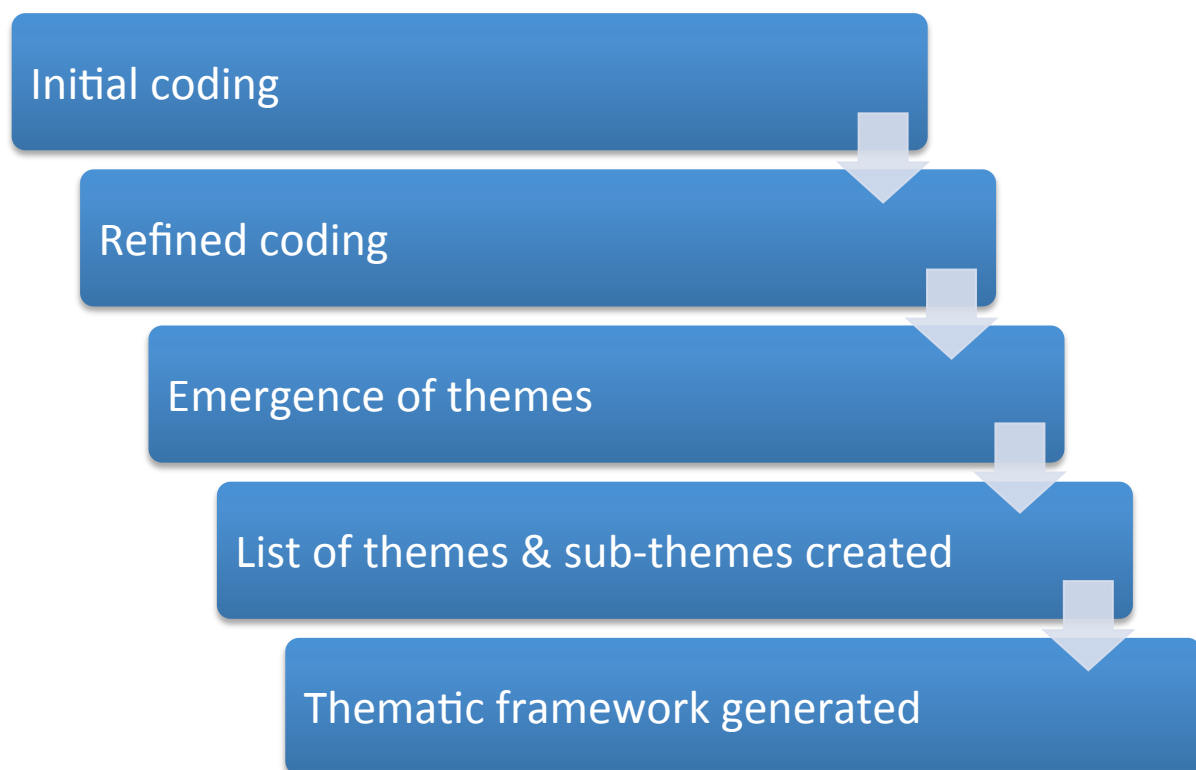


Figure 3.1: Outline of data analysis process used

3.9 Limitations

This study is composed of a small sample size and therefore there is a limitation in terms of the extent that the findings can be applied to a larger population. The results derived from this research cannot be applied outside of the South African context. The majority of marketing individuals and executives are in some way related to The Creative Counsel and this may skew the data.

This study is exploratory in its design and therefore less rigorous as compared to a quantitative study in terms of scale.

3.10 External Validity

Considering that marketing and content specialists were interviewed, it can be assumed that their opinion of big data and perception of the benefits to their businesses can be applied to similar sized companies. Their opinion of issues and opportunities may generally be extrapolated to different companies and situations but this must be done carefully, regarding any company specific nuances that may be applied.

The aim of the study was to understand how a below-the-line agency can strategise using the possible client needs generated from the emergence of big data. The client needs may be generalised to existing and potential clients and the information from agencies may be applicable among each other. Considerations must be taken to account regarding the different capabilities of the agencies.

3.11 Internal Validity

The nature of qualitative research in itself does not lead to statistical or empirical calculations of validity (Brink, 1993). The interview schedule delved into opinions and perceptions and had a combination of factors considered in each answer.

The researcher continuously made sure that all answers were fully understood, leaving no room for varied interpretation. Where this was not the case, the respondents were called to clarify any ambiguity.

3.12 Reliability

The questions in the interview guides were standard across each type of interviewee, namely agency and client respondents. Careful attention was made to ensure that at least from the researcher's point of view, there was no inconsistency or bias between the outcome of the question, weight of any topic, emphasis on any particular people, clarifying an answer or length of opportunity to answer between different respondents. This was done in order to ensure that results and conclusions could be reproduced if conducted in the same manner at any other given time.

According to Morse et al. (2008), a good qualitative researcher moves back and forth between design and implementation. To strengthen reliability of this case, an iterative design and implementation process took place with a constant improvement in the questions during trial interviews held to contribute to stronger reliability once the semi-structured interview questions were complete for final interviews.

CHAPTER 4. Presentation and Discussion of Results

4.1 Introduction

This chapter highlights the main findings of this research. The results presented here were derived from a total of 14 respondents through semi-structured interviews.

The sub-themes originating from the thematic analysis are presented as they relate to the four themes derived from the thematic analysis below. These are marketing landscape, overview of activations, big data and future strategy. This is followed by a summary of the key findings as they relate to the two research propositions.



Figure 4.1: Thematic Framework generated

4.2 Marketing Landscape

4.2.1 Current Marketing Landscape

The respondent data shows that South Africa is becoming an increasingly competitive environment. As an emerging economy, that can be seen as a gateway for business into the rest of Africa, it is important for companies to be able to differentiate themselves.

A client respondent felt that the only way to stay differentiated in this environment is through the use of CRM systems:

“...especially now given South Africa; the retail environment is very tough. The only way to differentiate yourself to a certain extent is through CRM and giving customers the experience that they want” – CM04

In addition, respondents also revealed that the availability of target market data was currently limited in the lower LSM group:

“...a big market in the lower-end segment and I think from a South African perspective, we’ve been lacking in terms of data in that field” – AG02

The MD of a start up data agency, who felt that having this information is key, also supported this:

“...knowing that the chocolate variant of your product is 80% consumed by LSM9 and 10 and another variant is consumed by a lower LSM, it’s very important for future marketing and targeting of those brands” – AG04

The millennial generation have become the most difficult target group to which to market. This generation who grew up in the evolution of Facebook, Twitter and digital communication touch points have been mass marketed throughout their lives and therefore it is important to break through the clutter in order to market to them and gain their interest. It is the responsibility of marketers and agencies to keep up with the changing needs of these consumers (Qadar & Omar, 2013).

4.2.2 Above-the-line Marketing

There was a common belief across both client and agency respondents. that the importance of above-the-line marketing is currently questionable.

This client respondent went so far as to state that spend on above-the-line advertising will decrease:

“...they don’t want to watch TV and they fast-forward adverts so that spend is going to go down.”- CM02

From an agency perspective it seems to already be a current pattern that has emerged:

“A lot of our clients are moving budget out of TV and print media” – AG04

The belief is that whilst brands used television adverts to stand out in the past, in the present day there is very little that sets brands apart by the use of television adverts:

“...if you look at the quality of above the line advertising it’s really increased over the last few years so there’s very little between a retailer A ad and a retailer B ad and a retailer C ad” – CM04

It also emerged that above-the-line marketing is becoming less relevant as you cannot verify that the right people were reached through the advertising. The literature shows that mass advertising, such as television, is less likely to generate sales in emerging economies and this can be tied back to South Africa as well (Venkatesan, et al., 2015).

“...that will immediately cuts out you know your traditional forms of media like T.V. and radio and billboards because they just spray and pray” – AG07

4.2.3 Digital and Social Marketing

The question then arose that if marketers are spending less money on above-the-line marketing, where are they reallocating that spend? It was unanimous that digital spending is on the rise. The reason for this is that with social media and digital

marketing, it is much easier to track your spend and target the correct customers. In addition there are various tools available to clients that can analyse and provide feedback in terms of the success rate of campaigns.

An agency respondent noted:

“...we see a lot of movement towards digital comms, digital spending from marketers’ point of view. They are putting more money in digital communication.”
– AG02

A client respondent echoed this sentiment:

“...everyone is digital at the moment, the internet of things, we just spoke about big data, analysing it, social media” – CM03

In addition to being able to track spend, thereby making digital marketing a less expensive form of marketing, it is also seen as more relevant due to the fact that the current trend is that people are spending more time on social media than ever before. A client respondent summarised this:

“You have also social media as sometimes considered a cheaper alternative to traditional media to drive awareness and it’s becoming also increasingly more important because people are spending more time on social media” – CM05

The influence of activations prior to the digital revolution was limited purely to the physical presence of consumers. If people did not visit the activation, it was virtually impossible to capture and generate any data (Carah, 2015).

4.2.4 *Split of marketing budgets*

Historically from a marketing perspective, the split of marketing budgets has always been skewed towards above-the-line marketing. As outlined in a previous sub-theme, this form of marketing has lost relevance amongst marketers. Respondents have confirmed that the split is now in favour of below-the-line marketing.

The split varies across different brands and industries and a few responses are noted below to support this claim:

“So, at the moment, it would be 30/70 split in terms of above-the-line would get the 30%” – CM03

“...so of the amount of money that’s available to media I would say below-the-line obviously takes 60% and the other 40 sorry the other 30% is above the line and then 10% digital” – CM04

“...if I'm honest it's probably actually being close to like sixty five below-the-line, thirty five above the line which is I don't want admit that because if you had to tell any classical marketer they would say you should have sixty percent above the line forty percent below-the-line.” – CM06

This is supported by the literature which says that “Above the Line marketing is history, Below the Line marketing is here to stay” (Seth & Kapoor, 2014, p. 19).

4.3 Overview of Activations

4.3.1 *Perception of Activations*

The word activations is a relatively new term in marketing, but it was important to gauge the understanding of the term by industry experts. This ensured that the questions relating to the research proposition could be summarised effectively.

Many respondents believed that activations is just about making something happen whereas others elaborated that activations is about engaging with a consumer, in any format that includes one-on-one interaction, in order to get them to change their behaviour, mind set, attitude or purchase patterns:

“The word activation so in a marketing sense I think it's some kind of event or experience that with the purpose of getting your target audience to act in a certain

way or behave in a certain way so it's like changing behaviour based on the experience that you have with the audience.” – AG07

An executive creative director of an agency described it as something that allows consumers to create a connection with a brand:

“It’s basically bringing your brand alive, directly to a consumer and bringing it alive where you create an experience or even an interaction directly with a consumer. So, I think I used this term once...normal advertising is the smoke, right - so you see smoke and you see it from far and you know there is a fire, but this is like you are at the fire and you can touch the fire, so you actually hands-on-hands, touching the brand and feeling the brand, connecting with the brand.” – AG03

4.3.2 Role of Activations

Many respondents believed that activations currently play an enormous role in creating awareness and agency employees agreed that it was an integral part of what they do. The role of activations has changed from a promoter sampling products in store to more about creating one-on-one experiences for the consumer.

Activations allow marketers to take a campaign idea and bring it to life on the ground for consumers, then directly converting them and driving feet into stores. It is also an important part of brand building exercises.

“So oftentimes it takes on the role of converting the consumer from engaged to sell. It’s largely around getting them engaged getting them to get hands on with the brand as opposed to just seeing it on T.V.” – CM06

It is important to note that whilst activations have an important part to play in terms of building brand love, it is sometimes more important to ensure a change in buying behaviour.

“Okay, building brand love and through that driving awareness etc. and then the second part of it is really a sales bit of it so we are not only there to only build brand love, there should be a sales purchase conversion” – CM07

One client respondent also noted that agencies needed to start thinking about activations as not just on the ground experiences but to also look at activations running on digital platforms:

“If you think of your starting place being there how do you create engagement for me with my brand using digital if the role of activation is engagement how do you do that for me on the digital in the digital space.” – CM06

Given the rapidly growing millennial target group, who are extremely discerning when it comes to consuming information and advertising, it is important to note that it will take more than generic marketing to gain their attention. This generation values experiences and digital alone will not be enough to break through to them (Williams & Page, 2010). Therefore, it is important for marketers to understand the role that digital and activations can play going forward.

4.4 Big Data

4.4.1 *Perception of Big Data*

The term “big data” across the agency respondents was far less structured as opposed to the client respondents. It was clear that there was still work to be done regarding the penetration of big data across marketing agencies and companies.

One agency respondent referred to it as

“...just tons of information. It’s all based on mobile really or possibly email address but that’s not very reliable.” – AG01

The client respondents were aware of the potential of big data and could already see value in the uses of big data to make better decisions and to extract business value:

“...big data is sort of...it's going to be almost like a currency if you want to call it that. I say currency in the sense that it is going to have value, right. I actually had a conversation with someone the other day who is in the industry and they were saying that there are certain organisations who have so much data on premises that for them to port that data into the cloud would take them years to do so, just because there is so much of it. So, I mean...big data is just voluminous data” – CM01

Client respondents made it clear that even though they see value in big data, there is no use for it if companies do not know how or when to utilise it:

“I think every company...every day is big data. It's volumes of information that a company has and collects and it's so important to a company because if you don't know what to do with big data, you really lose out on opportunities out there” – CM03

In relating it back to the marketing industry agency respondents felt that the use of big data may be limited due to people not being able to relate to and understand it and therefore it becomes an information overload as opposed to a resource

“...so big data is really a collection of different pieces of data that define normal data rules, so normal databases are generally one type of data and a certain size. Big Data transcends normal size size expectations or parameters and also it's made up of lots of different types of data sources and data types. So it's quite often quite messy and fuzzy.” – AG06

Big data is now seen to have evolved as a result of the current digital trend:

“...it's kind of the correlation of information that's now available to us as a result I think more so as a result of the digital sort of revolution that's happened and then from there it's about how you use that information.” – CM06

4.4.2 *The Role of Data*

When looking at the role that data could play in the industry it was obvious that there could only be value if the data is used and analysed correctly.

“... it’s usually beneficial, usually effective if you use it correctly...So how valuable is the data... So two sides: Yes, to create research and derive reports and analyses of it, 100%, very interesting.” – AG01

Benefits of data that were highlighted included a deeper understanding of consumers. In the retail environment, the data could provide information relating to consumer buying patterns in terms of when the consumer visits a store, how often they visit the store, what they purchase, when do they purchase specific items, the frequency of purchase of specific items. The benefit of having this information is the ability to target marketing activity:

“...the critical thing about data is understanding when the consumer is likely to do something, and when you have that kind of data, you can be able to change consumers behaviour and buying decisions...there is no wastage in terms of marketing budget when you know exactly when to communicate, who to communicate to, you know when to communicate” – AG02

The role of data is not just limited to the retail environment. Benefits were highlighted in the healthcare industry as well, where it can be said that the role could be life saving. When looking at these opportunities, we see that the possibilities in terms of differentiating products and services are endless.

“...let’s take healthcare. If you are able to monitor, let’s say somebody is diabetic or they have some type of particular health issue. If you feed that data let’s say back to your medical aid provider, they could then have an alert that says your average heart rate is...let’s say someone has hypertension and they wearing a wearable device, that data then gets pushed to a certain place. If over a sustained period of time that person’s blood pressure is abnormally high, you could get a message from your service provider that says, Person X, you know we’ve noticed

that your blood pressure has been well above average this week, we recommend that you go see a GP. And then you go to your GP and your GP can say to you know if this had continued for two more days, you could have had a stroke.” – CM01

As a client, data could have a direct impact on brands. With access to the correct data, brands could make decisions relating to the longevity of specific products and in turn, client retention. The potential comes through in the analysis and insights that are generated from the data that then inform marketing strategy.

“I think any campaign we do, we utilising that to go...on the next campaign we using that data to run the next campaign and better our campaigns... and then its further to that, there is more in-depth analysis on your clients’ data. So, for instance, what was the campaign?...Oh, it was SuperM, they were actually going to discontinue one of their variants and just because we did the analysis on what variants were being purchased by what demographics, they’ve now decided to keep that” – AG04

Another role for data is to assist in creating relevance for consumers and creating value for them across multiple touch points thereby allowing brands to stand out from the advertising clutter that exists. By taking a more focused approach, it also allows brands to create experiences that are more likely to elicit the behaviour they require from consumers. The researcher found that there is marketing literature to support the notion that deeper customer relationships are formed through solid relationship platforms. (Palmatier, et al., 2006).

“...the main value of CRM is that it makes you more reactive quickly and then secondly it’s direct revenue potential because you can understand what customers purchase and then what they should be purchasing from you still and you can capture a larger share of wallet... very useful in helping, driving the overall planning and then within each campaign you understand how to tweak it, do you spend less, do you put less behind it the following year or should you put more behind it. The last part where it’s very useful is the content that goes into

ads so you can based on the data if you use it in the right way you can say that our ads aren't clear enough, customers don't understand it, they don't, doesn't resonate with them" – CM04

From an agency perspective, the use of data can play a role in building credibility of solutions provided to clients:

"...people use data to make decisions anyway so the business that owns and has the right amount of data that can provide a better decision making service to its clients or customers... If you're using data from existing experiences and you can prove it because data's obviously qualifiedly, you can prove your numbers then you've got much more credibility to your clients interaction" – AG06

Client respondents were able to see real economic value in data. Campaigns can be tweaked in future, based on historical data from existing campaigns.

"...we going to be able to get some really really good information that we can then build into our strategy formulation for subsequent years, and I think that's what the true value of the CRM should be for us." – CM01

Another way to see value in data is through lead generation as it is quantifiable for marketers and provides access that they would not normally have.

"...for example company X call and say, guys you've got R5 million to spend on marketing, but let's tell you this – give us R20 million and we will give you 100 000 new people to buy it. Will they take it or not? They will... Data just gives you access and a more defined access to whatever you want to sell" – AG03

Client respondents also admitted that the economic value comes from being able to make decisions that are based on facts that allow them to save money in the long run.

"I have been able to save money when I needed to redeploy into other spaces." – CM06

While the insights generated from data can be subjective, the actual data is measurable which can be seen as another benefit for agency respondents:

“I can ensure closing a deal or selling more on or closing the client, just from having such data and back-up data... It's so measurable. It's measurable, that's the big benefit, you can't change it. It's like tangible in a way hey, it's not a sales pitch.” – AG01

Across the agency and client respondents a number of consumer variables emerged as being useful, particularly in the area of consumer buying behaviours. The most frequently mentioned consumer variables were shopper behaviour, shopper trends, shopper cycles, life-stage, income, occupation, gender, age, social media trends – when consumers are most active on Facebook and Instagram

The usefulness of this information came through the ability to use this data to target and strategise the rollout of campaigns.

When it came to the area of CRM systems most client respondents could confirm that they had a CRM system but not many could highlight the uses or value of the CRM systems within their organisations:

“Yes we do, I wouldn't say it's used one hundred percent but we do, I don't know the name of it but it encompasses pretty much everything that we need it to do” – CM04

The utilisation of big data across other industries was a question that was posed to the respondents. The first ideas to come up were that in South Africa, the companies that are seen to be using big data effectively are in the fields of banking, insurance, healthcare service providers, retailers

The examples that stood out were in the areas of mobile applications, such as online shopping and online transportation networks. Respondents felt that these two have used data to provide themselves with a competitive advantage in their areas of expertise.

Actual examples of the use of big data across industries were also noted:

“Programme Beta is an emergency and policing...an emergency management solution. And what happens is, if there is any emergencies or incidents - emergency or non-emergency incidents – there is a control centre in City X. So, if you as a citizen see there is a fire, you can either call in there, it’s actually got a mobile app now as well and it actually allows you to report those incidents. What we’ve done with the City now is that we have actually developed a solution to the point where the City can now be able to respond timeously and adequately to these emergency and non-emergency incidents” – CM01

Other examples include the use in healthcare service providers through the trend of wearables. Companies can create dashboards from employee wearables that can actually monitor the health and wellness of their employees. It can be as broad as overall fitness to as targeted as whether or not an individual employee is getting sufficient sleep.

When data is looked at as part of a bigger picture, it can also be used for forecasting. By looking backwards, respondents noted that they would be able to then look forward and forecast to assist them in planning marketing activities. This allows them to make the best decisions for the business and remain objective at the same time.

4.4.3 Data Limitations

Respondents made sure to highlight what they see as challenges or shortcomings of the data. It was clear that the question of data validity was a concern amongst the respondents. Another issues that surfaced was that of data timelines as the data would be seen as not relevant if it is not current data:

“You know to pull data that we got three years ago is actually a waste of time. You’ve got to keep current.” – AG01

The complexity around data storage was another challenge as it was noted that across both the agency and client respondents, the data available is scattered so individuals are not able to access all data from one appointed place.

The client respondents noted a hesitation to utilise data because the understanding of how to analyse data for insights and trends was not necessarily a strong point nor did they have any background guidance in this regard. They felt that while they could have access to data, they would have no indication of where to start interpreting and extracting what could be important.

“I think it's extremely important for the brand to be listening and getting that Information. It's extremely valuable for the brand and I don't think enough companies are doing that because the word “big data” scares so many people and companies are so freaked out about it because of what it takes.” – AG04

Client respondents noted that they would have to be convinced that the data presented was representative of all income brackets in South Africa. Historically, they found data to be skewed towards the higher income brackets and this would not necessarily be relevant since the majority of South Africans do not fall within this bracket.

4.4.4 *Big Data Opportunities*

The respondents noted that the opportunities within big data are endless but there were a few that stood out and were noted. Client respondents saw value in data analytics that informed marketing strategy.

Another opportunity that was highlighted by another client was in the area of data mining. The ability to mine data and generate insights was seen to a key differentiator in targeting consumers. Clients do not necessarily have the tools to conduct this exercise themselves, but noted that they would be willing to outsource such a service.

The literature shows that some companies have begun using big data in their operations. As an example, Amazon has recently filed for a patent for anticipatory shipping. This means that they have the ability to predict when someone will log a purchase and can start the shipping process even before the actual order is placed online. They do this by utilising big data from order history, product search history and shopping cart activities to create consumer insights (Banker, 2014).

The opportunity to utilise data solutions for agencies is a reality. If brands had access to information that their competitors did not and they were able to interpret and digest it correctly, they would be able to formulate new services that they ordinarily would not have done. Media companies are also currently acquiring technology companies just for their access to data:

“...so you could compile data to tell a story yes, I would say. We could, we could actually do something, that’s actually a great idea. We could actually take all our competitions over last year, let’s say, and say this how many people entered our competitions on average per month, per week across our companies, this is how many on average were male, this is how many were age 20.” – AG01

Taking a look at Facebook, the most popular social networking platform today, it can be seen that they utilise targeted advertising. They have the ability to exploit data in order to customise the content that a person is exposed to once they have logged on. The data used is both historical and predictive (Carah, 2015).

4.5 Future Strategy

4.5.1 Client Needs

A sub-theme that was formulated was that of client needs which can further be broken down by client pain points.

Client respondents noted their frustration with agencies not investing in analytical capabilities and analytical insights. It is not sufficient for agencies to provide information to clients in the form of current trends and what they are observing. Agencies need to be able to translate it into action points that inform the marketing calendar.

Clients are currently not able to track the effectiveness of their spend as highlighted here:

“...there's that saying that you know you know that fifty percent of your marketing spend is working you just don't know which fifty percent so I think that these tools will allow us to address that problem and close that gap” – AG07

This results in wastage and as a result, clients are becoming more conservative with spend that does not directly measure their performance. Visibility of data is then a major concern, as clients want to be able to see their return on investment.

Respondents highlighted that these pain points could be alleviated if they were able to use data to decrease wastage of marketing budget. This agency respondent noted a direct practical example:

“...imagine if you knew when people are ready to buy or are in the process of looking, then you would be able to talk to the right consumer, you will save costs by talking to the right consumer, talking to them at the right time, offering them that test drive at the right time when they are likely to consider a brand, rather than just giving them a test drive and ok, cool, it's nice, I drove your car but am I ready to buy?” – AG02

Elaborating on the topic of return on investment, this was a critical determining factor of the use of data for marketers.

“...it would be much easier for us to go and target those people specifically, and you probably more likely to convert like 50% of them or 25% instead of like just throwing it out there and hoping to convert 5%... So, that is where value is, it's in data you know and solutions need to come with data” – AG02

Client respondents were often faced with the conundrum of trying to quantify lead generation and in turn, relate that to return on investment for the organisation. They currently have no tools available that allow them to further develop this area. Some found the use of CRM systems to be useful, but this was still limiting as it depended on the type of system the organisation had installed.

In the current economic climate, they do not have the luxury of taking a shotgun approach where they can run campaigns at will and hope for the best result in an increase in sales. The data on campaigns and then on sales is being scrutinised quite heavily, to see what works and if there was a return on investment.

Client respondents also pointed out that ability to measure return on investment on campaigns will no longer be seen as a value add from their agencies, but rather it will be expected as the norm. This marketing director highlights the importance of tracking his spend:

“...then you can understand how do you actually, what should you actually advertise when and if that campaign was successful or what was the true ROI or did the campaign just make no difference in bringing feet into store and people walked in anyway and that’s what we found in certain months where it looks like the campaign was great but actually in general people walk into store that point of time, so it’s very useful in helping, driving the overall planning” – CM04

Respondents felt that in the area of activations, those activations that are more digitally connected, better planned and showed a better return on investment, that is, driven by data would probably enjoy a bigger share of the market. The certainty associated with data meant that clients could substantiate their investments and track spend.

“...the sole reason is mainly because there is reach-data available now in the online space you know. It’s easier for clients to track their spending and to track their conversions, so...and I think we are in that space where clients are looking for bang for their buck and they will continue to spend in platforms or in solutions that can easily be tracked or where they can see the value in converting consumers. So...and you know when we talk digital, people are talking digital is going to take over...it will take a lot of marketing budget as long as it is still easy for it to be tracked, and easy for brands to see the value of their spending, and knowing that they are targeting certain consumers.” – AG02

4.5.2 Innovation

Respondents noted current trends that are paving the way for innovation. All respondents noted that, even though they still might watch television and listen to the radio, the first thing they do now is get onto their mobile phones so they do not actually see the need for television going forward.

Arising from the trend of mobile phones is the use of social media, which has now become a form of word of mouth advertising in itself. It is another platform that brands can use to create one-on-one engagements with consumers. A point this agency respondent made is that this trend still cannot replace human interaction:

“...if you look at a lot of the trends these days in technology, you've got VR or virtual reality coming in now so the activations which are purely digital aren't as effective without the human element or something to complete the experience” – AG06

Innovation through the use of data is not a new idea. There is currently an application being used in old age homes as explained by this client respondent:

“...so an old age home here would have this system set up should anything happen to the person they would have certain trigger points within their home that they can just simply press so it could be a press for one would be you know to notify a family member to two presses could be to notify ambulance that they obviously need to come through and obviously to power they actually need batteries so you can see how technology is developing and why we need to ensure that we are at the top of those trends. You provide the solutions so data is very very important” – CM05

This is in line with the literature, which highlights that the insights realised through big data can assist marketers to improve their effectiveness. As an example, Google is able to track whether someone has visited a store after being served by an ad on their smartphone using big data. This deeper understanding of consumers through big data can potentially lead to increased innovation (Erevelles, et al., 2015).

Marketers need to innovate their solutions in order to stay relevant and in order to do this, they need to have an idea of what the trends are moving toward. As one client respondent noted:

“...understanding consumer trends in terms of media absorption you know getting information about that understanding what are the future trends in terms of media consumption and I'll throw a silly example there is so if the social media is going to fall away what's going to be the next form of engagement with consumers? Are we really identifying those new formats, are we ahead of the trend considering the environment that we're that we're in with the South African context that we're in?”
– CM05

The literature also states that an effective marketing experience for a consumer needs to be personally applicable (Poulsson & Kale, 2004), in other words, the activations in future need to remain relevant in order to retain the target consumers.

4.5.3 *Shopper Behaviour*

In the area of shopper behaviour, it was highlighted that there has been a shift of power in the direction of the shopper. With the trend of social media gaining traction as a form of word of mouth the shopper will be relying less on people in-store to tell them what to buy.

Instead, because of the power of mobile phones, the shopper will now actually be able to do their own research, compare products and prices and identify what is best for their needs.

To remain top-of-mind with consumers throughout the consumer journey, brands need to have a comprehensive understanding of their consumers in order to still add value to their shopping process (Tynan & McKechnie, 2009).

4.5.4 *The Future of Activations*

The sub-theme of the future of activations lives as a very controversial topic amongst the respondents. Whilst many respondents believe that activations are the way of the future, there are other respondents who believe that activations need to evolve in order to retain marketing budget in the future.

The case for activations being the way of the future is built on the ability activations have to be more focused and targeted. Whilst television, radio and billboard adverts speak to a broad target audience as well as other consumers who do not form part of the target audience, activations have the ability to speak directly to the consumer the brands are targeting.

Agency respondents felt that activations also play a key role in directly converting consumers so their belief is that when a new brand launches, it is important to have awareness of the brand via above-the-line marketing communication, but it is even more important to be able to close the gap with the consumer and produce sales.

In the case of marketing moving to an online space, the point was made by some client respondents, that this does not work for all products. The reason for this is that consumers still want to be able to see, feel and experience the product first. Here activations will still play a role in being able to demonstrate products, especially new products that have been launched where there is very little prior knowledge. The same respondents also believe that this should extend to social media and digital:

“So, there’s this fear that with all this new technology and all this move into the social space, that “activations” and the one-on-one experience is fading away. But I kind-of challenge that because I think consumers are still hungry and needy for the one-on-one interaction with brands. And the reason for that is because I’ve become more trustworthy of the brand, yet at the same time, the new one-on-one channel or place that people live in is the social world. So, I think a fusion between both exists, and I think whatever needs to be done on the ground needs to be amplified or echoed on a social space.” – AG03

Several agency respondents believe that activations, which are purely digitally led, are not as effective without the human element or something to complete the experience and vice versa. They noted that the manual activation or person activation is not effective enough on its own without the digital element. They have seen that their clients and consumers are expecting a more interactive experience, be it from their Facebook page or other brand activations happening in, for example, shopping malls. They concluded that the activations that will continue are those that are the right type of smarter activations.

“I really think there is huge growth for “activations” within the industry if it’s coupled with digital and you can capture that data that is being presented at the “activation”, so you can summarise that and use that data for future marketing etc, etc. Brand targeting. So, I think there is...between direct sales “activations” and digital marketing, I think that’s going to be the future” – AG04

A concern around activations that are not coupled with digital, is the risk of the number of people that the activation will reach. Brands are now starting to create an activation purely for the purposed of filming it or recording a document that can then utilise digital media to reach the masses. Agency respondents propose that building digital into activations needs to take place within the outline of the consumer journey in order to ensure that the consumers act upon the activation.

The consensus amid the respondents was that spend on activations will increase be it general activations or a new model for activations:

“I think it will increase because now people are becoming very finicky as to what they expose themselves to, so now they don’t want to watch TV and they fast-forward adverts so that spend is going to go down. And so...And I’ll speak for a company, like an automotive company. Test drives are what drive the business, which is an experiential kind of experience, because only after you test drive the car then you understand what it is does” – CM02

4.5.5 Uses of Marketing Big Data

The theme of uses of marketing big data was explored and a significant idea that was noted was that of buying behaviour.

“...you see that someone has bought milk every week for the past seven weeks and then this week they don’t buy milk, and you can send them a coupon or you can send them something, a combo deal.” – AG01

One respondent specifically noted buying behaviour as a tool that can be used within agencies to map out consumer purchasing patterns. They believed this would be critical in understanding what life stage a consumer might be going through and tailor-making things specifically for them. The respondents did not believe that any one company was leveraging off this data to maximise customer equity

“...we see huge value in them, from just everything, knowing your clients, knowing when they buying, what months they buy in, etc etc. Just gives you so much more assistance in knowing when your peak months are, etc. and when they buying what products, using what services within your business. Yeah, helping spot trends... so for example, on our last campaign, we were able to see what LSM bracket was purchasing what variants of the same product.” – AG04

Some respondents have already seen value in using marketing big data whereby they were able to save money just by reading into what the data was saying and planning accordingly:

“In terms of promotional campaigns we need to understand customers buying behaviour so for example running a denim campaign in the middle of the month makes no sense because typically customers would buy denim for some reason towards the end of June and month end so you wouldn’t allocate your budgets in mid month campaigns as an example, another example would be over Christmas you actually wouldn’t want to do brand campaigns because data will tell you that customers, the way they decide on where to shop is purely based on where’s

promotions, where's the specials, those kinds of things so it helps you set your overall calendar" – CM04

Retailers are also starting to tap into their data to plan marketing campaigns. They understand what their consumer trigger points are that allow them to invest in specific products to ensure those are top-of-mind to the consumer. If a consumer purchases more coffee this month compared to the previous two months, the retailer is able to pin point it to there possibly being a sale on coffee this month. They can use that information to start profiling their consumers and use that information to allow their suppliers, in this case brands, to target these consumers individually.

Another popular area that was highlighted was the area of loyalty programmes. It was noted that consumers in South Africa are very much pro-loyalty programmes due to the tough economic climate. The benefit to the consumer is discounts and cash back which in turn, ensures that they continue to frequent your business and the brand then continues to build brand affinity. It is going to be a key differentiator going forward.

The loyalty programmes that are the most effective are those that are able to not only retain existing customers, but also create new customers that shift away from other brands. It was also noted by a client respondent that visibility on earnings is key to the customer, it also ensures relevance over longer periods of time:

"...unlike other loyalty programmes where you don't know what you getting, you don't know what you swiping for, what percentage...this is quite good, because I've actually earned...sometimes when I go to the till, they say oh you earned 200 points, that R200. That's a lot of money. And if you build it up over like 3 months, that's quite good." – CM03

A use of marketing big data extends itself to clever targeted messaging and, more importantly to brands, targeted marketing. Consumers take for granted when they receive a message about vehicle finance a few months before their current vehicle finance will be paid up. This is actually just a brand using big data in a clever way.

Respondents agree that targeted marketing will allow marketers to have one-on-one personal engagements with consumers by serving them communication that is most relevant to them. As an example, if a retailer had big data aggregated and had profiled their customers, they could tell that an individual purchases bread every time they purchased a cold beverage which, on average, is three times a week. Using this information, there might be a way of engaging with this individual via other platforms to drive him back into the store.

The same could be said for marketing to people with the potential to be recruited. By profiling consumers that live in a specific area, one could pin point a location and see that there are fifty people in that area that have an MBA. Using various touch points and tools of engagement, be it online or on the ground, these people could be served with solid, targeted recruitment campaigns.

“I mean if they were formulating that data correctly and utilising and analysing it, you would know, you could have the ability to know from when that person walked into the store, what you could offer them, what their interests are. Are they interested in food, are they interested in technology, are they interested in clothing? So, analysing that is hugely...there’s a huge advantage. And then with regards to marketing as well, I mean marketing to the individuals whose data you have. I mean, if you are analysing that data, you can see the importance of them in terms of targeting your marketing to them.” – AG04

The tracking of the targeted marketing is even more accessible now due to marketing automation. Using big data and profiling consumers gives both agencies and brands the ability to provide less expensive and more relevant information to consumers:

“...if a set of that audience hasn't opened it within a week then send them another follow up email and if they didn't do that then send them an S.M.S so basically what you're able to do is you are able to engage with your consumers on a much more one on one level based on their kind of experience” – AG07

Once targeted marketing is realised, it becomes possible to use the data to delve into a granular level to create personalised solutions to consumers. The better a brand understand its consumers, the better they are able to provide them with a personalised experience and are then more likely to win them over.

“...they are able to tailor-make communication with the appropriate discounts, supposedly individualised to a person...you, you know. So, if they notice that you are buying a lot of fruits and vegetables around a particular time, they may send you stuff, discount options, so, obviously you will go and buy... So, understanding that person and their life-stages are important so that you can tailor-make the innovations to them.” – CM02

A practical example was used in reference to a leading South African retailer that also provides an online shopping with delivery service. Consumers that use this service frequently could have the ability to build up a shopper profile. It could give consumers the ability to pre-load a basket based on previous purchase patterns. They would then have a simpler task of deselecting the items they do not need as opposed to loading each item individually from scratch.

Countless opportunities exist for agencies and clients to use big data. Some companies are already working hard at building platforms that make data easily available to users so that people involved in strategy can use it to formulate solutions.

Agency respondents concurred that whilst their focus will always be on creativity, this cannot work without sound insights. Creativity, on its own, becomes just another piece of information that is forced onto the consumer. They believe that the more that they incorporate rich data in their creative solutions, the more likely they are to win in the business of marketing communications.

The intelligence of using data from an agency perspective does not just originate from the creative solutions. The data analysed post campaigns is just as important in realising value as agencies and clients are then able to build on the things that work and analyse

the things that do not work. The more relevant point is to be able to translate the data into meaningful actionable points

“So the interpretation is more important than the data but the business for the data and interpretation skills will do very well I think that's where the value combination.” – AG06

Client respondents admitted to already investing heavily in consumer research in order for them to be aware of the impact of the solutions they offer to customers. They believe that this to be a necessity otherwise they believe they will become extinct. They simply cannot afford to not understand and fulfil their consumers' needs.

The challenge that they face is the ability of their agencies to explain the data and offer meaningful solutions:

“I used to go off my nuts when Nielsen and Millward Brown would present, they go your share has dropped like I know my share has dropped so what you know, how help me here help me join some dots like tell me that so what this means is you should consider doing this or what this means is that actually that's not working, this works better make it something that I can use as opposed to something that I need to go and think for hours on end about when I could be thinking about how else I can spend my money” – CM06

4.5.6 Strategic Advantage

A recent trend was noted whereby social media companies were purchasing other smaller social media companies with similar offerings. From this perspective, it was agreed that these acquisitions were not done to attain new technology platforms. Instead it is about the consumer base and the data that comes with them which is seen as a competitive advantage.

The reason it is seen as a competitive advantage is that over time, these companies have the ability to start differentiating their products or services. The early adopters are

the ones that will start reaping the benefits in the future once they have determined how to use the data.

Client respondents believe that using data in creative solutions is the next level in agencies being able to differentiate themselves against their competitors. The use of this data should be in the form of agencies building their own analytical capabilities as opposed to relying on out-dated or outsourced information. They also noted that they would be more likely to use an agency knowing that their solutions are based on solid data analysis. This in turn, will give these agencies a strategic advantage over other agencies.

“I feel like I'm on the borderline of actually going actually this should be why I choose you, does that make sense because it's kind of like it's what it's your competitive advantage so maybe I'm paying two rand extra per hour per day or whatever and but there's a reason I'm choosing you and it's because you're giving me a competitive advantage.” – CM06

The agency respondents had similar views where they stated that even if activations started to move into more digital activations, the agencies with the right amount of correct data will have the ability to play in both spaces comfortably across the scope of clients. In turn, this could drive the new business development with bigger clients that would be willing to provide longer-term investments. They believe it is essential for agencies to take the strategic steps to make sure that data and data driven decisions and insights around activations become core to the solution.

In addition, it is not necessarily an absolute that clients would pay for receiving data driven creative solutions. The way that the industry is moving means that clients would move from being likely to invest in this to expecting that agencies provide these solutions as a value-add.

The agency respondents believe that if this done then they would be more likely to retain their clients and will become their strategic advantage. When discussing strategic advantage, it becomes about being able to provide services and values that the

competitors cannot. So by having access to information that the competitors do not have access to, digesting and formulating it to provide better solutions is an ability that the agencies would not have been able to fulfil without big data.

There is widespread belief that not just mobile, but rather the entire concept of the Internet of Things and living in an interconnected world will become ubiquitous over the next few years. This will produce vast amounts of data that will need to be effectively scrutinised in order to generate value for marketers, businesses and the overall industry. (Riggins & Wamba, 2015). Those that are able to unlock this ability and potential will most likely stay ahead of the competition.

4.6 Themes as they relate to the Research Propositions

This section serves to highlight the main considerations that arose from the themes highlighted earlier on in this chapter. These considerations are explored in relation to the research propositions made in chapter two.

Research Proposition 1

The strategic direction of an activation agency in South Africa is influenced by the impact marketing big data has to create experiences for consumers.

The literature revealed that focusing on consumer experiences is what ultimately leads to consumption which in turn, leads to brand loyalty. This is seen to be the cornerstone of experiential marketing and more specifically, of activations. It was noted that a broader range of research methods is required if we are to create forms of marketing that are based on fully understanding consumers (Atwal & Williams, 2009). The result was that big data was proposed as an option for the deeper understanding of consumers leading to greater experiences for consumers.

A worldwide online transportation network such as Uber, has shown that big data not only provides a competitive advantage, but also allows an individual or an organisation to

redefine behaviour and create its own industry, just by having an in-depth understanding of their consumer needs.

Within this study, the respondents were clear in their response, in support of finding new ways to understand consumer needs. If the consumer needs were distinct enough to allow agencies and clients to visualise personalised solutions in the future, then the result should be that they start building for those solutions now. This point directly relates to proposition one:

“...because understanding their challenges or pain-points allows us not just to develop new solutions but also to tailor existing solutions to meet their requirements. I mean at the end of the day we only exist as a business because there is a need in the market, so the customer data or consumer data that we are looking for is really about what are our target customers really struggling with, where do they need help?” – CM01

It was also noted that clients are more likely to allocate their marketing budgets towards activations in the future if they realise the savings that come with utilising big data accurately. Being able to reallocate budget translates to real value in client terms. The agency respondents strongly believe that the value proposition around insights in the data needs to become the sales point around activations.

The main effort of clients in this industry is to create brand loyalty for the brands of which they are the custodians. Client respondents were already able to make decisions based on information provided by research companies in the past. The concern with this information is that it is not always current. If they were able to utilise current information in their decision making process to create experiences for their consumers, this will be seen as a huge advance in marketing terms.

If we look at creative process from an agency perspective, we realise that there is a need for deeper insights from a innovation perspective. There is insufficient detail within breaking down target market groups, which means the creative experiences that are generated are becoming progressively irrelevant.

“...we get this target market and its LSM one to three or whatever it is. LSM's are so dead and so buried in the past, that its completely useless. We are creating based off these target market insights we are creating generic campaigns” – AG05

As one client respondent aptly summarised below, the time has come for agencies to start thinking about the next dimension of differentiation and the use of marketing big data presents the perfect opportunity for this to transpire:

“...it shouldn't just stop there, so I definitely think agencies, for me the next level differentiating themselves versus everyone else is they have to start building their own analytical capabilities and not just rely on insights from Research company 1 or Research company 2, all that kind of stuff.” – CM04

Significant amounts of consumer data are produced through the explosion of the digital revolution. Marketers now have the ability to utilise this data through the increased improvement of technology (Fowler, Pitta & Leventhal, 2013). Therefore, activations and one-on-one marketing can be implemented effectively, based on real insights and the preferences of today's consumers.

Research Proposition 2

The impact of marketing big data is not sufficient to change the strategic direction of an activation agency in South Africa.

The literature highlighted that we are currently within an experience economy and marketing big data could be used to create more unique experiences for consumers. The challenge with this was the costs associated with generating a new division with the sole purpose of data analysis. It was noted that many businesses may not be able to go ahead with this type of expansion as the skilled resources required are too expensive or not available at all (Nikolic, et al., 2014).

The study displayed that the cost of having access to marketing big data as well as the costs associated with generating insights could be seen as a reason why agencies would not follow this route. Agency respondents felt strongly that clients would, in fact, pay for this as a service if they perceived a return on investment. In addition, the current resources would be the ones utilising the data to generate insights and hence big data experts would not be required. This is highlighted below:

“...they will pay if they can as a result of the use of the data in the marketing campaign can then even have some kind of value from that so as an example if we could tell them more information about the people who are buying their products and therefore add value to that experience or repeat sale, cross sale, app sale then that would be valuable but just the data on its own right no.” – AG07

It is important to note that client respondents also agreed with the view of the agency respondents but made it clear that data alone is not enough of a value add that clients would pay for. They need the data to be analysed and interpreted in order to see the significance of the service:

“I want the insights along with the data, so but if those two were part of the package I would absolutely pay for it.” – CM04

The below client echoed these sentiments and so the question of cost is negated by the fact that clients are looking to find unique ways of engaging with their target audience and are willing to support initiatives that can show a direct correlation to their objective. The following response is in support of a client respondent paying for solutions that utilise marketing big data and have the ability to measure return on investment:

“So, if an agency could come to us and says Company y we know what your strategy is this year, we know that you doing initiative a, we’ve got the following activation or marketing initiatives that we would like to position the benefits, I think we would be more open to that than somebody just coming to us and saying well can we do a digital marketing campaign for you in the following. We would be like ok yes, but then what value do we get out of that? How do we make sure that you

are speaking to our target customers and where is the return on investment for us? So definitely, we would be open to that.” – CM01

Not only do the client respondents agree to pay for these solutions, but also they are willing for this to be included as a separate line item in their budgets. This means that they will not necessarily reallocate budget from the activations portion, instead they would look at other alternatives for funding these big data driven marketing campaigns. The strategic advantage to the agency is that more clients would be willing to utilise their creative services if they were convinced that the solutions provided were not based on generic information:

“It probably would be considered a separate line item I definitely see value because you are adding value to the proposal that you’re presenting, your proposal is not based on a wild creative idea, your proposal is based on one: The data, so you've gone through the data you understand what our needs as a business are, you understand what we doing from a strategic point of view, you then putting through into a concrete plan for me so this is what we presenting because we have the relevant information to support the campaign idea or whatever the case might be and it's again it's not based on a thumb suck, it's detailed in that for me is very important because it means you're investing behind my brand and you putting in the relevant expertise to make sure that your you’ve got a long term plan to build my brand over an extended period of time” – CM05

Due to the highly competitive environment in which marketers operate, there is a need for organisations to ensure that they reorganise their resources in order to respond to fluctuations in the external landscape. Their capacity to respond to these changes and alter existing resources to create new value will result in a competitive advantage. (Erevelles, et al., 2015). Therefore, the ability of agencies to gain insights from big data to meet the needs of their clients and consumers will demonstrate this advantage in the long term.

CHAPTER 5. Conclusions and Recommendations

5.1 Introduction

This chapter serves to summarise the findings of this study as it relates to firstly, the strategic direction of an activation agency in South Africa being influenced by the impact marketing big data has to create experiences for consumers and secondly, the impact of marketing big data not being sufficient to change the strategic direction of an activation agency in South Africa.

5.2 Conclusions

This study shows that marketing big data has enormous potential to transform the way the activations industry exists. The results of this study show that there is a shift in power to the consumer. There are countless alternatives available to consumers and they have the control to select products or services without any marketing or advertising involvement. Therefore, it is up to brands and agencies to align on providing real experiences for consumers that have the ability to change mind-set, behaviour and action.

It is clear that there are infinite ways to create new experiences that will ultimately lead to brand loyalty. The challenge is defining what those experiences are. Marketing big data provides the opportunity to unpack new solutions for clients and create a strategic advantage for activation agencies.

In the current experience economy that exists, experiential marketing and activations have the ability to create unique, personalised solutions for consumers. The success of the agencies lies in their ability to capitalise on this opportunity and break down the data to deliver insight-driven creative solutions.

The findings in this study show that industry experts believe that agencies have no choice but to become more data led. Even though it is perceived that activations will

increase in the future, the type of activations that exist will shift dramatically. Activations need to become data led and driven by technology to avoid cannibalisation of marketing budgets. The impact of marketing big data through existing examples show value for clients, the ability to track spend and measure real return on investment.

For any organisation wanting to redefine themselves by starting a new division or building increased capabilities, the question of cost can more than likely be a deterrent. This study shows that both agencies and clients would see value in having marketing big data available to them to decipher relevant consumer intuition.

From a client perspective, they would even be willing to pay for this service as a value add, as a separate item on their marketing budget. This means that the question of cost is no longer a significant factor for the agencies wanting to investigate this option.

On the question of utilising skilled resources for this innovative business function, we can conclude that this is not required as the existing resources at agencies are already able to use other research data to generate insights. However, these insights are becoming increasingly generic, hence the need for a new avenue in the form of marketing big data. There will be costs involved to set up the facility before it can become a service that clients pay for, but this should be considered an investment into the future of marketing.

The data in this study is also supported by a move taken by the Cannes Lions International Festival of Creativity. It is the largest global marketing and advertising festival in the world and takes place annually in Cannes, France. Every year between twelve and thirteen thousand people attend the eight-day festival to applaud the best use of creativity in advertising and marketing.

Recently there was an amendment to the structure of the festival to include a new segment called Lions Innovation. Lions Innovation was formed to assess creativity, led by data and technology, which is seen to facilitate and enable creativity. It provides a platform for brands and creative people to pioneer technological innovation and data-driven creativity. It is the perfect opportunity for brand marketers to stay ahead of their

competition. Lions Innovation has been called a field trip to the future (www.canneslions.com).

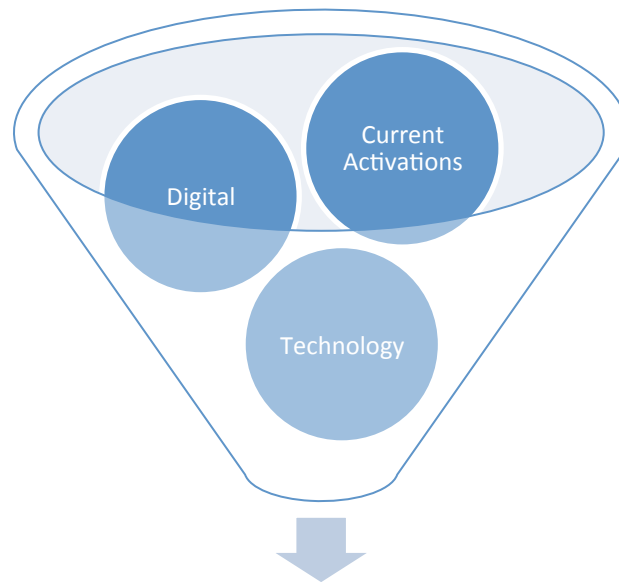
In conclusion, this study finds that marketing big data has a direct impact on the strategic direction of an activation agency in South Africa and therefore, research proposition one is **accepted as true**.

Owing to the fact that high-level solutions were provided for the cost implications of marketing big data, research proposition two is **accepted as false**.

5.3 Recommendations

The findings of this research highlight that there is uncertainty as to how to go about implementing big data solutions within activation agencies. The researcher proposes a two-pronged approach to implementation, which each relate to short and long term objectives.

The first and more short-term recommendation is to combine the current activations, digital capabilities and technology to create the future activations model. It is evident from this study that the current activations model, which consists of in-store brand ambassadors, road shows and mall activations, will not survive unless they are supported by solid digital and social marketing capabilities. The movement of experiences towards virtual reality and artificial intelligence i.e. technological advances, should also be factored into this model.



Future of activations

Figure 5.1: Future of Activations illustration (own)

The second and rather long-term recommendation is to utilise the model for the future of activations and implement a revised process flow that becomes data-led. A snapshot of this can be observed in the following diagram. This diagram is a proposed framework for the agency model of the future.

The purpose of this framework is to outline guidelines that can be applied within an activation agency ecosystem to allow for data driven future creativity. The suggested process flow will allow for creativity to be adapted and moulded by insights and the entire process is underpinned by strategy and planning.

The combination of digital, technology and current activations is the proposed model for the future of activations. The recommendation is to use this, together with a revised process flow that says that the processes from research and insight mining through to the client revert is continuously driven by marketing big data. The author believes that this is the only way to remain relevant to consumers in the current experience economy.