PRECISION MARKETING: A MOBILE APPLICATION CASE FROM HONG KONG

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ABSTRACT

In this paper, we reviewed previous studies on precision marketing and described a mobile application developed for vegetables and seafood products in Hong Kong. This analysis provides a framework for current marketing management practices with the implementation of information and communication technology (ICT). Actionable information from Marketing 4.0 can benefit marketers and improve the effectiveness of marketing campaigns.

Keywords: *Precision marketing, big data, consumer behaviour, Marketing 4.0*

1. INTRODUCTION

Using customer transaction data for marketing decisions is easy nowadays. Kotler et al. (2016) used the phrase "Marketing 4.0" to describe the importance of big data in today's marketing. It is expected that actionable consumption patterns can be identified in transaction datasets.

Taking into account the complex of the operation, it is necessary to develop a well-established procedures to process the customer data. The aim of the study was having a better understanding of the changing marketing practices from the traditional common sense approach to data-driven approach in decision making.

Therefore, this study investigated the use of big data available in a mobile application developed in Hong Kong. The case is written around the marketing analytics process with a clear emphasis on the data-driven approach. The transaction databases can yield actionable information for future marketing decisions.

2. LITERATURE REVIEW

Marketing practitioners commonly believe that smart marketers understand consumer behaviours. However, Burey (2006) tested a consumer research panel of 4000 British consumers with the opinions from a research panel of 200 marketers on 34 marketing issues and found that marketers did not fully understand consumer attitudes, motivation and activity.

In addition, the completeness and accuracy of self-disclosed consumer preferences and their future purchase intentions are also questionable (Robertshaw & Marr, 2006).

De Reyck and Degraeve (2003) have pointed out that well-identified potential customers can be reached by precision marketing. An earlier, pioneering study on prevision marketing, Lodish and Pekelman (1978) tested a time series model in marketing prediction.

Luo and Li (2014) suggested that "precision marketing is built on the basis of customer segmentation based marketing activities". With the latest information technology, it is possible to understand consumer buying behaviour and make corresponding marketing strategies with precision. From customer segmentation, marketing positioning and customer relationship management, different electronic marketing technologies and data mining techniques can be deployed.