Marketing research final poject

To deal with these changes in such environment, data mining techniques can detect and predict changes in customer behavior. This facilitates the process of building long-term and strong relationship between businesses and their customers. In addition, understanding customer's behavior can support managers to choose the most effective way of advertising to reach those customers. That is why; data mining is very important technology. In this report I will explain and give steps on how data mining used to choose the right place to advertise.

The reminder of the paper is organized as follows. Section 2, provides brief overview of data mining. In section 3 benefits of data mining. Section 4, I am going to explain how data mining used to choose the right place to advertise using examples. Finally we conclude the paper. 2. Overview of Data mining 2. 1. What is data mining? It is noted that the number of database keeps growing rapidly because of the availability of powerful and affordable database system. Millions of databases have been used in different field.

This explosive growth in data and databases has generated need for new techniques and tools that can automatically transform the recessed data into useful information and knowledge, which provide enterprises with competitive advantages, and enable them to better service and retain their customers. Data mining is the process of analyzing data from different perspective and summarizing it into useful information, information that can be used to increase revenue. Data mining software is one of a number of analytical tools for analyzing data.

It allows users to analyze data from many different dimensions, categorized it, and summarizes the relationships identified. Technically, data mining is the process f finding patterns among different fields in large relational databases. 2. 2. The benefit of data mining and how information is obtained Data mining can provide many types of advantages for companies to use in their daily activities. Data mining can be used to help identify a company's best prospect and also helps in knowing what customers want and need.

It will also help them to save money and time by concentrating their marketing activities only on those who are interested in their products. Therefore, their success in marketing increases. The Information is gathered from many different sources, which allows predicting what products customers will like. Data mining can also help companies to segment their markets and to personalize their communications between them. Wide varieties of customers require companies to take different approaches while advertising to these different groups.

Data mining makes the task of targeting different groups of customers easier by providing so much information. Data mining consists of five elements which provide the information needed to create the database. The first stage is to take data and transform it so that is can be put into a data warehouse system. The next step is o store and control the data in a database system. Then, professional analysts are allowed access to the data so they can take the next step, which is analyzing information with software.

Finally, the data can be displayed in tables or graphs formats in which the correct decisions can be made. Overall, data mining is used to provide an

easier way for businesses to access information. This information is used to analyze external and internal factors that allow companies to maximize their profits. Some internal factors are product, price, and promotion. External factors are customer demographics, economic conditions, or the level of competition. All of these elements are analyzed through the process of data mining and this new technology is being used in all fields. . Data mining and Advertising 3. 1 . How businesses choose the right place to advertise Before talking about the use of data mining in advertising, let's first explain and give the root that businesses follow to end up choosing the most profitable place to advertise their products and services in order to generate more sales. Define the message: before choosing the place to advertise the products, companies must answer the following questions: What is the main information that you want customers to know? How do you expect you customer to react after seeing your advertising?

How do you define your advertising message? Emotional? Or logical? Target market: think about the target market, which you are targeting, what publications would be beneficial to use, where do customer shop? This will give you an idea where you should be placing your advertising to make the most of your spend and make sure it is targeted. Data mining today makes the task of targeting different groups of customers easier by providing so much information. The question is how data mining helps choosing the right place to advertise? 3. 2.

Data mining to choose the right place to advertise Companies that sell products and services need to advertise and promote their products and

services in order to minimize their share in the mean market. As we know there are mainly two approaches to advertising and promotion; mass and direct marketing. Mass marketing: uses TV, radio, and newspapers, broadcast messages. As an example, when a product or a service is going to be advertised in one of the mass media such as TV, we should look first for channels whose watchers attach the profile that we want to target.

Mass marketing is an effective way of promotion when there is a high demand for the promoted product. In today's competitive business environment mass marketing is becoming less effective to sell a product after being advertised with mass marketing technique. Direct marketing: this method analyzes the customers' characteristics and needs in order to choose certain customers as a target for the promotion and advertising. This is where companies use data mining to gather more information about group of customers to advertise the products to.

Next I am going to show the steps that marketers use in data mining to select the best place for advertising. 4. A case study: Victorians secret & Mallet application After a theoretical explanation, in this part of the paper I will use 2 examples: Victorians secret & Mallet, but due to the limitation of not using the data mining software, I will be focusing only on explaining and try to offer some details on how companies use data mining to choose the right place to advertise. 4. 1 .

Example-I-Victorians secret Victorians secret company wants to launch an advertising campaign for a new referee. Among its present customers the company wants to post product information to those with high probability to

purchase the new perfume. Steps: customer profiling First thing the company should do is to divide the group of customers into groups, which is called customer profiling. Customer profiling is a way of grouping customers according to their similarities, depending on their age, lifestyle, and interest.

To profile customers, you can use the customer's database or any result from interviews and survey. Victorians secret usually offer its customers an " angel card" which is a loyalty card, this card helps the company gather information about their customers purchases and interest and what kind of product they purchase a lot in order to have an idea of what they may like and may not. Also this data can describe the past behavior and personal data about each customer in order to offer products according to their needs and wants.

Step 2: Store customer data Once the companies get the information they want form customers, they store this data in the database system. This helps them to get the profile they want during the data mining process. Step 3: Analyze the data for choosing the place to advertise For example, the company is interested in targeting and advertises the perfume to certain age and sex, and certain customers; in this case the database already contains such information. Another way of predicting whether customers are going to buy the products after seeing the ad is having a trial period.

Even in the trial period customers are divided into two groups: those who buy the product and those who have not. All this date should be stored in the database system in order to data mine it when a company is looking for the right place to advertise. 4. 2. Example -2- Mallet application A few nights ago

I was browsing on Mallet application on my 'phone, Mallet is a shopping app where you can find over 2 million products from different big famous brands (Ezra, Victorians secret... Etc), for winter coat.

Mallet allows people to create specific outfits' searchers, by simply setting the requirements. Few days later, Mallet showed up ads about Ezra winter coat on a blob in the article that I was reading on phone. This is a true example which uses sophisticated data mining technique to predict for Ezra whether or not I am likely to purchase something upon seeing the ads. 5. Conclusion Data mining is a very practical in the business world. All companies use data mining in order to gain competitive advantages that are known very hard to maintain.