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Unstructured data

Can its power be unleashed?

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Management summary

Background, conclusions and recommendations





What are unstructured data?

- > Unstructured data are data that have no fixed data model, and are not arranged in a fixed pre-defined manner
 - Without preprocessing, unstructured data cannot be stored in a table
 - Examples: social media (tweets, blogs, posts, etc.), call center data, email, surveys with open questions, etc
- > Unstructured data are strongly linked to the three V's of 'Big Data':
 - Volume: unstructured data typically require more storage space than structured data
 - Velocity: the amount of unstructured data is increasing more rapidly than the amount of structured data
 - Variety: unstructured data are generated in previously untapped data sources, which may reveal very personal customer information

Unstructured Data



Structured Data





How prevalent are unstructured data?

- › Projection: 80% of business data are unstructured data
- › Unstructured data grow much faster than structured data
 - ‘Rich content’ (e.g. pictures and videos) require more data storage
 - Data produced by objects formerly not connected, such as thermostats, watches, vending machines, cars, robots, servers and heavy machinery are an important driver of data growth (‘Internet of Things’)
- › Unstructured data sources become the predominant basis for customer insights
 - In combination with structured data, unstructured data sources help to obtain a more complete picture of the needs and want of customers
 - Unstructured is typically more subjective
- › Structured data typically provide an answer to the ‘what’ question (e.g. what customers are likely to churn?)
- › Unstructured data typically provide an answer to the ‘why’ question (e.g. why are customers churning?)



Why are unstructured data important for managers?

- › Insights from unstructured data are valuable and lead to sustainable competitive advantages
 - In combination with structured data, unstructured data sources help to obtain a more complete picture of the needs and want of customers
 - Structured data typically provide an answer to the ‘what’ question (e.g. what customers are likely to churn?)
 - Unstructured data typically provide an answer to the ‘why’ question (e.g. why are customers churning?)

- › But: working with unstructured data can be difficult and time consuming
 - In many organizations, tools and skills are lacking to benefit from the opportunities that unstructured data provide
 - Only a fraction of unstructured data is actually analyzed



Overview of (new) insights on unstructured data

- › Insights from text analytics (examples):
 - digital word-of-mouth is central to driving business outcomes
 - a company's press releases are surprisingly effective
- › Insights from speech analytics (examples):
 - anger of inbound callers can be identified with a high level of accuracy
 - speech recognition technology can improve call center productivity
- › Insights from image analytics (examples)
 - design of a product can have a stronger effect on sales performance than price
 - emotions of customers can be recognized with a high level of accuracy using facial coding
- › Insights from video analytics
 - video-based automated recommendation system for use in garment retail stores can outperform benchmark recommender systems



Recommendations for marketing managers

- › Unstructured data provide potentially wonderful opportunities
- › However, working with these data provide time consuming and costly challenges
- › Weigh the expected benefits against expected costs!

- › Do not hold back: invest in the biggest opportunities
- › Start each project with a relevant business question

- › Invest in IT tools and IT skills of marketing analysts, but do not ignore investing in customer knowledge



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What are unstructured data?

Definitions

