

BAN 210: Essentials of Analytics

Chapter 2: Web Data

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- Web Data: Data from web site
- Enables 360 degree view of customer
 - Complete understanding of customer
- Early stage: Transactional Data
 - Name, Address, Demographics, Recency, Frequency, Monetary Value
- Advanced stage: Non transactional, behavioral, and other sources of data

https://www.youtube.com/watch?v=PnVZ7_OA7Qo

Read the possibilities listed on page 32 - 33



- What data should be collected
 - Everything possible and feasible
- What about privacy issue
 - Anonymization – faceless data
 - Customers must be made clearly aware what data are being collected and provide them with an option to opt-out



Application of Web Data: Reading Customers' Minds

- Shopping Behavior
 - How customers first land at the web page
 - Search engine, social media, TV ad, etc
 - Who buys and who don't buy
 - Offer product bundles before they buy (page 38 paragraph 2)



- Customer Purchase Path (marketing funnel)
 - How customers make their buying decision
 - Analyzing the series of channels they go through

Google Analytics Example:

<https://www.youtube.com/watch?v=Cz4yHOKE5j8>



- Customer Research Behavior

- Almost all customer research before buying any product

- Studying how customers utilize available resources for research: customer reviews, manuals, pictures, videos, etc

- Figuring out what is valued by the customers and what is not

(page 40 paragraph 1 & airline example on page 39)

Example of online to offline buying behavior

https://www.youtube.com/watch?v=T-RaOdw_tiw



- Customer Feedback is everything!
 - Must be used in all kinds of decision making
- They can make or break a brand

<https://www.youtube.com/watch?v=O95DBxnXiSo>

Sentiment Analysis:

<https://www.youtube.com/watch?v=YmOYrozqCps>



Examples: Web Data in Action

Web Data Is Like Printing Money

- The next best offer for individual customers: read example on page 42-43. About Mr. Smith:
 - He has four accounts: checking, savings, credit card, and a car loan
 - He makes five deposits and 25 withdrawals per month
 - He has a total of \$50,000 in assets deposited
 - He owes a total of \$15,000 in credit card and car loan

Web data:

- He browsed mortgage rates five times in past month
- He viewed information about homeowners' insurance
- He viewed information about flood insurance
- He explored home loan options twice in past month



Examples: Web Data in Action

- Customer Attrition/churn: loss of customer
 - Predict the intention of loss of business of current customer
- Response Modeling: predict the choice a customer will make when presented with alternatives
 - Gain of customer or enhanced activity of customer
 - Positive action from customer as opposed to customer attrition
 - Example of real estate company of which customer will buy which house
 - Read example on page 46
- Customer Segmentation



Please bring your blue book and charged laptop with internet connectivity on 09/06 for open book quiz. The book will also be used for class activity.

