



# Data-driven marketing as a part of a business strategy of Kazakhstani franchise companies

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## 1 Introduction

The paper documents the basic concepts relating to importance of big data in contemporary data-driven marketing. In an attempt to better understand and provide more detailed insights to the phenomenon of big data in data-driven marketing. The authors consider experience of the global brands entering regional markets. Global brands play important role in the development of entrepreneurship in the Kazakhstani market. Attractiveness of Kazakhstan for global brands can be judged by the wide spectrum of business forms and the country's place in the world franchise rating. Due to franchising companies, the local businesses are being pulled up, the ethical code is identified, new technologies are used and more rapid adaptation to changing market conditions take place. As a result, competition for national specifics is increasing, which in turn makes local brands stronger and gives an opportunity to see the prospects for entering the international market.

Modern reality is transformed under the influence of global megatrends. They are urbanization, the development of digital technologies, new customer behaviors. These trends have an impact on all spheres of life: the state, industry, business, people, and marketing. Experts call today's reality as the "client era". Digital technology has significantly expanded the capabilities of customers. Now the buyer, who has the necessary information, decides what, when, where, and how to buy. Therefore, those companies that make innovation will be able to prevail in the competition.

Today, marketing is strongly linked with digital technology. Primarily, experts draw attention to the importance of understanding what today's client is. Big data as intellectual and predictive analytics play an important role in modern marketing. A comprehensive study of customer behavior and their requests allow creating popular products and services.

We can say that to some extent a modern customer (client) is very "inconvenient" for marketers. He does not rely on direct messages from sellers, but has the opportunity to thoroughly study the characteristics and reviews of the product, to learn the recommendations of other consumers. The client expects a personalized approach, and if he is not satisfied, he/she can even destroy the brand. At the same time, the availability of information and the ability to communicate with

brands through social networks carry positive points for business: customers are ready to cooperate with organizations to jointly create and improve products. Consumers want to be part of the process and get not only a product or service, but also an interesting experience.

The criteria for a successful brand is easy and comfortable perception, the fascination of the process of interaction with the brand, memorability. For this purpose, new tools are attracted: video, high-quality content, live broadcasts, virtual and augmented reality. This is evidenced by the redistribution of marketing budgets in the world. According to Salesforce, for the last two years video advertising in the B2B segment has grown by 204%, SMS mailings have grown by 197%, native advertising - by 147%, and advertising in social networks - by 130%.<sup>1</sup>

All this poses new challenges to Chief Marketing Officers. In a new competitive environment, they need to increase brand value through customer involvement, which require marketing transformation that is reorganization of departments and marketing functions, as well as mastering a new model. According to the study conducted by authors, the leading channels will be social media, the World Wide Web, mobile apps and a mobile network. Mobile devices and networks, personalization technologies and the Internet of things will become technological trends that will have the greatest impact on marketing in the nearest future.

Big data (BD) is needed for progressive development of the digital ecosystem to achieve sustainable economic growth and increase the competitiveness of the economy.

Big data analytics have to be perceived as a “disruptive technology”<sup>2</sup> that will reshape Business Intelligence (BI), which is a domain that relies on data analytics to gain business insights for better decision-making.<sup>3</sup> Big Data has the potential to ‘disrupt’ the senior management of organizations, prompting directors to make decisions more rapidly and to shape their capabilities to address environmental changes.<sup>4</sup>

The following objectives of the paper are set:

- To reveal the significance of the big data technology for marketing and management decision making process;
- To explore the prospects of marketing and highlight specific characteristics of business strategy;

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<sup>1</sup> See Aslanova, 2019

<sup>2</sup> (Christensen, 1997)

<sup>3</sup> See Fan, Lau, Zhao, 2015

<sup>4</sup> See Merendino, et al., 2018