

On point with...

LANG SMITH

Lang Smith stands at the forefront of one of the fastest moving technology industry movements: predictive analytics. Over the past few years, he has helped create industry-wide shifts, such as the auto industry's first digital redeemed coupon. A calculated risk taker with deep tech industry knowledge, Smith, CEO of Cloud Signalytics, continues to embrace how Big Data is changing the way today's businesses prepare for the future.

**Why is it so important to know your customers inside-out?**

It helps you determine your most relevant customer base. Customer desires change, and you need to know what they are in order to change with them. In order to grow your business, you need to determine a path the business should take to maximize growth. That's what makes market research so important. To me, one of the most important things it does is reduce your company's risk of failure. When you have a marketing plan and stick to it, chances are your business will grow.

How much emphasis should be put on changing with the changing times?

I believe the marketing world is changing drastically. People are scattering to find the best tools for their business, but they are not sure what they are quite yet. Profit margins are lower for most products these days than they used to be, so factoring that into the marketing budget to get a good ROI is much more difficult. That's why predictive analytics and Big Data are so important. It helps reduce marketing costs significantly, while allowing your business to identify its target market.

What are the most important things your research must uncover?

It has to be your differentiation in the market. I would consider this the No. 1 factor in the success of one business, and the failure of another. If you don't want to price compete in your market, you need to show how you're different than your competitors. Stop looking in the news for the latest hype and trends, and start solving the problems nobody's looking for.

As a business, you need to realize that not all customers are lifetime customers, and in order to grow, you need to acquire new customers.

What tools can help make the right decisions?

Big Data is definitely the most important one today. To harness the power of Big Data is like having a magic wand that funnels customers your way. The more you know about your customers, the more successful your business will be. I'm not a fan of focus groups, because they're usually very small and not always right. I'd substitute them with a soft launch that's directed to your market, and then gather feedback from that. This will allow you to answer all of your market objections and eliminate any reason not to buy from you.

Why is it important to never stop learning about your customers and marketplace?

It's never-ending because customer behavior is ever-changing. People want brand new vehicles one year, and then they realize they can live with a used car. As a business, you need to realize that not all customers are lifetime customers, and in order to grow, you need to acquire new customers. To do that, you need market research to find your most relevant customers during the lifetime of the business. ■