THE MARRIAGE

OF DATA SCIENCE & BEHAVIORAL SCIENCE

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THE ASCENDANCE OF DATA SCIENCE

Interestingly, the Chief Measurement Strategist of Google feels necessary to recommend the embrace of behavioral science, not just data science. Data science has been the crown of business thinking in the past few years. Manipulation of data to uncover luminous insights which can have a multiplier effect on profitability or even transform the business has become the holy grail that businesses need to chase. While data science along with digital transformation, has got enshrined in the top level of organizations, a related but much-misunderstood field of behavioral science has been languishing behind. The two disciplines are related, as data is nothing but a footprint of behavior and hence data science is nothing but a way of understanding behavior.

Consumer browses the category, puts the brand in the shopping basket, and pays for it - are all behaviors which are seen by the data scientists as data to be analyzed. This article argues that the marriage of data science and behavioral science is made in heaven and is imperative to unleash the fountains of insights that have the potential of multiplying corporate profits.
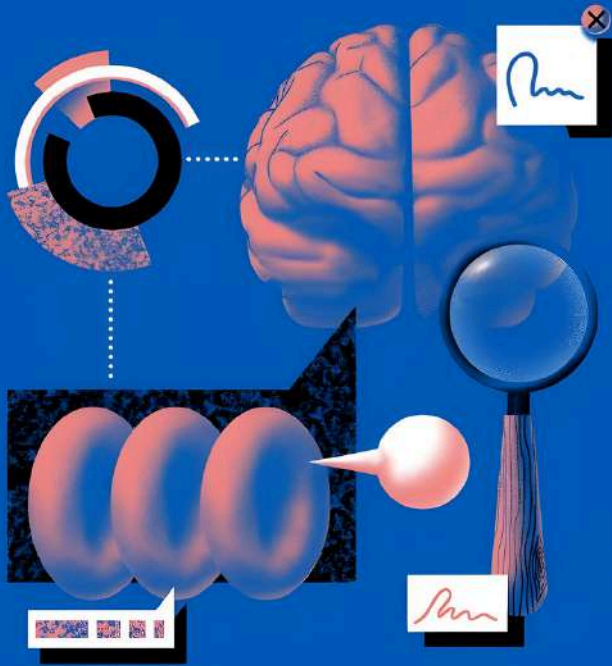
The ascendance of data science is not surprising, as firstly huge amounts of data are being generated as businesses and consumers move online, every move of the customer is recorded, and digital trails are created which the marketers pursue hungrily. **The fact that you can use these trails to fine-tune your interaction with the consumer and maximize the likelihood of a sale is a no-brainer**.

INSIGHTS FROM DATA

In the initial days of digital marketing, consumer journeys were simple, and the focus of marketing was basically to get a "yes" from the consumer. It wasn't very complex to use data to decide, how we can best present our product and offer it to the consumer to increase the probability of sale. However, today the consumer journey is multi-device, multi-platform, and digital marketing challenge has moved beyond the single transaction to building long-term relationships with the most profitable consumers, who will add most to your profits over their lifetime.

Along with this, the technology has advanced and now enables capturing every little nuance of consumer behavior, leading to the mountain of data becoming more and more imposing. While this substantially increases the possibility of uncovering insights that can be used in marketing, it also multiplies the challenge of separating the wheat from the chaff and unearthing relevant insights. Today you can capture who is the consumer, where is the consumer coming from, whether the consumer browses your product, for how long he interacts with the product, what else does he look at, whether puts it in the shopping basket and of course whether he actually buys. Digital transformation has become overly focused on the process of putting in systems to capture the data in all its depth and complexity.

The complexity goes beyond the capabilities of conventional analytical methods and hence machine learning has become the key tool for unlocking insights from data. As machine learning is powerful, many marketers feel that they need not even engage in marketing thinking and can leave everything to the machine and the algorithms to discover the glorious consumer insights. This is a short-sighted and erroneous point of view.

The value of the insights is directly proportional to the quality of the hypotheses and the analysis framework that is employed to decipher them. Familiarity with the ideas from behavioral science and knowledge about the potential drivers of human behavior will lead more readily to insights as compared to a blind dive into the large data pool. If you are not aware of the techniques of anchoring, de-anchoring, and re-anchoring, the behavior explanations where these are at work in the data will escape you. Behavioral science provides you with a munificent basket of ideas to discover whether framing, anchoring, and priming are at work in guiding consumer behavior.

Why not look at the treasure trove of existing knowledge from behavioral science, which has been gained through years of rigorous research and experimentation both to discover what could be guiding consumer behavior and also to generate ideas. Every situation is different, but not necessarily so special that existing knowledge does not apply and cannot inspire thinking.

✓ **Understanding consumer behavior and enhancing marketing strategies benefit significantly from incorporating insights from behavioral science.**

WILL THE TWAIN EVER MEET?

Data science is governed by logic and analytical thinking. If marketing is driven by data science alone, marketers would look at products as bundles of logical and rational benefits and expect the consumers to maximize their utility. Much effort from data-driven companies is on price optimization, minimizing delivery times, and other tangible consumer benefits. Data science will also naturally focus on deciphering such logical behaviors.

However, the starting point of behavioral science is that consumers' behavior is often fickle, and consumers seldom maximize their utilities. Consumers may not mind a longer delivery period if the wait can be made more interesting, informative, and anticipative. Faster and cheaper isn't always better. On the face of it, the two approaches seem to be antithetical. The challenge of marketers is to harness these two apparently contrary thinking frameworks and marry them to serve their needs. Successful marketers will be those that can work with equal ease with both data scientists and behavioral scientists, maintaining their unique way of thinking but merging them effectively and powerfully.

✔ **Successful marketers must integrate both data science and behavioral science approaches, balancing rational optimization with an understanding of human behavior, to effectively meet consumer needs.**