Big Data Application Among Mid-markets

Idea In Short

Mid-market companies, though often overlooked in Big Data discussions, are increasingly adopting analytics to drive marketing and innovation—the two primary engines of business performance. Unlike large enterprises, they benefit from shorter decision cycles and focused niches, enabling faster adoption of data-driven strategies. Big Data helps these firms enhance product design, quality, and market responsiveness while improving marketing efficiency. By leveraging analytics intelligently, mid-market companies can boost competitiveness and achieve innovation-led growth despite limited resources.

> Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions:
>
> 1. marketing, and
> 2. innovation
>
> Marketing and innovation produce results; all the rest are costs. - Peter Drucker

When discussing Big Data, the conversation naturally tends to revolve around a few big corporations with deep wallets and lots of resources to throw at, what is perceived as, highly innovative Big Data and Analytics projects. However, considering that the mid-market industries constitute the main driver of economy in many countries, their underlying motivation and interest in Big Data and Analytics technologies has been, so far, largely gone unnoticed.

Mid-market companies' collective Information Technology [IT] spend is projected to grow by 6.5% by 2016, which is a lot faster than the Enterprise segment. These industries engage themselves with niche product or service offerings and enjoy significant market leadership in their focussed playing field.

Hence, the disconnect in attention is, to a high degree, largely due to inadequate understanding of the main motivators that present a compelling case for mid-market companies to leverage Big Data Analytics. Furthermore, mid-market companies come in various forms, shapes, sizes and products, so aggregating these companies in a cohesive unit for any meaningful study poses a segmentation nightmare.

Empirical evidence of mid-market technology adoption

These broad trends paint a promising picture about the potential that rests with mid-market companies, but this optimism also begs the question whether the mid-market companies will adopt Big Data faster than large corporations. History presents an empirical solution for this quandary. Cloud / Elastic computing started, largely as an enterprise game, but Cloud service providers soon realised that mid-markets encompass be the more relevant segment to target, due to a a faster path to adoption and shorter decision paths that exists in these companies. Similarly, as enterprises adopted virtualisation technologies, technology vendors shifted their focus to the mid-market companies with innovative solutions that addressed their unique needs and challenges. The promising trend with Big Data is that the mid-market companies have understood that it is increasingly crucial for them to embrace a data-centric approach in what they do, leverage data as a strategic asset and glean insights from data available at their disposal as means to gain or sustain their competitive advantage. Among the core drivers of Big Data adoption by the mid-market companies, the means to leverage data for product / service quality improvement (innovation) and the capability to take advantage of new market opportunities (marketing) stand out.

Product Development

A large proportion of mid-market companies are engaged in design and production of industrial products or food-chain components. Many of these companies are currently engaged in digitally transforming their businesses, either as means to reduce costs, gain market share or align strategies with their key competitors. An important use cases of advanced analytics involves using Big Data technologies and Analytics in the product development process. Such concepts as Internet of Things [IoT], statistical modelling, Failure Mode Effect Analysis [FMEA], etc. that border these companies' core competences in design and manufacturing have received significant attention. Big Data Analytics also gives these companies the ability to determine which products are selling and which aren't, help refine the product strategy and provide objective evidence to support future product

roadmaps. By evaluating support logs, product returns and complaints data, these companies can easily identify issues with specific products making their business more profitable.

Marketing Performance

Historically, mid-market companies enjoyed significant market share in their niche segments with almost negligible marketing spend, a captive salesforce and almost no online presence. In these companies, the sales department, more than any other function, long relied on the art of the deal, much like the baseball scouts in Michael Lewis' popular book, \"Moneyball: The Art of Winning an Unfair Game.\" In the past, sales personnel in these companies relied on relationships and other "soft factors" to prospect and close transactions. However, the competitive pressures from both, domestic and overseas manufacturers with similar or comparable alternatives is forcing once dominant players to re-consider their go-to-market and sales approaches. Hence, the mid-market companies are interested in measuring marketing performance to identify activities, products and markets that drive revenues, deliver a positive return on marketing investment [ROMI] and eliminate wasteful activities. The strength in marketing analytics is that it can easily demonstrate which campaigns are driving revenues and profits, thus making the marketing department more agile, customer- / market-oriented and effective.

Conclusion

Although many mid-market companies are just starting with Big Data, the early results have had an overwhelmingly positive impact on the companies' productivity and success. These companies, in most sectors, believe that their businesses stand to benefit from the effective management of Big Data. Customer-centric, process-intensive research & development-based organisations could particularly reap immediate benefits through Big Data. While mid-market companies may not have the same resources or budget as their larger corporate counterparts, they could leverage the best practices to their advantage and avoid pitfalls experienced by large enterprises in taming Big Data.

Summary

While Big Data adoption is often associated with large corporations, mid-market companies are emerging as active adopters, motivated by the need to innovate and strengthen marketing performance. Their agility enables faster integration of analytics for product improvement, quality control, and targeted marketing. Early results show gains in efficiency, customer insight, and profitability. By applying data strategically, these firms can sustain competitiveness and growth, using analytics as a practical, scalable tool for innovation and market leadership.