

MARKETING

Redefining Marketing in the Era of Data

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Marketing has evolved from intuition-based strategies to data-driven approaches.

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In the modern age of digital transformation, marketing as a discipline is undergoing a profound metamorphosis, largely driven by the exponential growth of data. The ability to collect, analyze, and leverage data has reshaped the way businesses understand and engage with customers. Traditional marketing, which relied heavily on intuition, broad

demographics, and human-centric market research, has evolved into a sophisticated science where data-driven insights dictate decisions, enhance customer targeting, and ultimately drive profitability. This article explores the redefinition of marketing in the era of data, examining case studies of three well-known companies that have revolutionized their marketing strategies by leveraging customer data: Netflix, Amazon, and Coca-Cola. Furthermore, it delves into the philosophical underpinnings of these transformations, specifically examining the concept of market orientation and its evolution from intuition-based strategies to data-centric approaches.

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To understand how marketing has been transformed in the age of data, it is crucial to first examine the philosophical theories that have historically shaped the field of marketing. One of the most significant philosophical approaches to marketing has been the concept of market orientation, which emphasizes the importance of understanding and responding to customer needs and wants. Rooted in the ideas of consumerism and economic liberalism, market orientation can be traced back to the 1950s and 1960s, when scholars such as E. Jerome McCarthy (4Ps of marketing) and Philip Kotler (Marketing Management) highlighted the need for businesses to focus on customers as the focal point of their strategies.

Market orientation, as a guiding principle, posits that organizations achieve long-term success by identifying and satisfying the needs and wants of their target markets. Traditionally, this process has involved the collection of customer insights through qualitative methods such as surveys, focus groups, and intuition-based interpretations.

However, the increasing availability of data is altering this relationship, enabling businesses to move beyond subjective assessments of consumer behavior and instead rely on objective, empirical insights derived from large-scale data collection.

This phenomenon is rooted in the belief that knowledge is power. Data, in its vast and varied forms, enables organizations to move beyond anecdotal evidence or intuition-based decision-making, offering a more objective, empirically grounded understanding of the world. In a highly competitive, globalized world, companies and even countries recognize the immense potential of user behavior data to shape strategic decisions, drive economic growth, and maintain a competitive advantage. As a result, access to and control over consumer data has become a critical asset, and entities that can harness this resource effectively are often at the forefront of innovation and success.

This shift aligns with Foucault's theory of power and knowledge, where knowledge and control over information determine power dynamics in society. In the context of marketing, the more data a business can gather and analyze, the greater its ability to influence consumer behavior and predict future trends. The advent of big data technologies allows businesses to transition from "traditional" human intuition-based strategies to data-driven decision-making, where power is embedded in the capacity to process and interpret vast amounts of customer data. Thus, the transformation of marketing from a market-orientated philosophy focused on human intuition to a data-centric model represents a paradigmatic shift in how businesses engage with customers.

Case Study 1: Netflix – Revolutionizing Content and Customer Experience

Netflix, a company that began as a DVD rental service, has become a global leader in streaming media, largely due to its data-driven marketing and customer engagement strategies. Netflix's ability to leverage vast amounts of customer data to inform its content creation, recommendation systems, and marketing campaigns has played a pivotal role in its success. Through its sophisticated algorithmic systems, Netflix tracks customer behavior, preferences, viewing history, and even social media interactions to create a granular understanding of individual users.

A key element of Netflix's data-driven marketing strategy is its recommendation engine, which uses collaborative filtering algorithms to suggest content based on the preferences of similar users. According to a 2013 study by McKinsey & Company, 75% of what users watch on Netflix is influenced by the recommendation engine, showcasing the profound impact of data on user behavior. Moreover, Netflix's deep understanding of viewer preferences has enabled the company to create original content that is tailored to specific audience segments, further driving engagement and subscriptions.

The financial impact of Netflix's data-driven marketing approach is substantial. In 2012, Netflix's revenue was \$3.6 billion, and by 2022, its annual revenue had surged to over \$31.6 billion. This exponential growth can be attributed, in large part, to the company's ability to use data to personalize the customer experience and optimize its content offerings. Netflix's success illustrates how data can be harnessed not just for advertising or customer segmentation but for the creation of value through personalized experiences that align with customers' tastes and preferences.

Case Study 2: Amazon – Dominating E-Commerce through Customer-Centric Data

Amazon has long been recognized as a pioneer in leveraging customer data to optimize its marketing and business operations. Through its sophisticated data analytics and machine learning algorithms, Amazon has created an e-commerce ecosystem that is uniquely responsive to consumer behavior. Amazon collects vast amounts of data from customer interactions on its platform, including purchase history, browsing behavior, and even data from external sources such as Alexa smart devices.

The Amazon recommendation system is another example of how data-driven marketing can shape customer behavior. By analyzing purchase history and leveraging collaborative filtering, Amazon generates personalized product recommendations for each user, significantly increasing the likelihood of additional purchases. As a result, the company reports that 35% of its revenue is generated through product recommendations.

Amazon's use of customer data extends beyond personalized marketing; it also informs pricing strategies, inventory management, and supply chain logistics. By using dynamic pricing algorithms, Amazon can adjust the prices of products in real-time based on factors such as customer demand, competitor prices, and stock levels. This data-driven approach has enabled Amazon to maintain a competitive advantage in the e-commerce space.

The financial performance of Amazon reflects the power of data-driven marketing. In 2019, Amazon's revenue reached \$280.5 billion, a significant increase from \$74.5 billion in 2013. The company's ability to harness customer data to optimize every aspect of its business has been a key factor in its growth, cementing its position as a global e-commerce giant.

Case Study 3: Coca-Cola – Enhancing Brand Engagement through Data Insights

Coca-Cola, one of the most iconic brands in the world, has also embraced the power of customer data to redefine its marketing strategy. In recent years, the company has implemented a variety of data-driven initiatives aimed at better understanding consumer behavior and optimizing its marketing campaigns. Coca-Cola has invested heavily in big data analytics to improve its targeting of advertisements, enhance its customer segmentation, and predict market trends.

One example of Coca-Cola's data-driven transformation is its use of social media listening tools to analyze consumer sentiment and adjust its marketing strategy accordingly. By tracking mentions of the brand across platforms like Twitter and Facebook, Coca-Cola can identify emerging trends, respond to customer feedback, and create more relevant content for its target audience.

Additionally, Coca-Cola has incorporated data into its product development process. By analyzing consumer preferences and purchasing patterns, the company has been able to introduce new products that better align with customer tastes. For instance, Coca-Cola's launch of Coca-Cola Zero Sugar was driven by data insights that revealed a growing demand for healthier, lower-calorie alternatives to traditional sodas.

The financial impact of Coca-Cola's data-driven approach has been significant. From 2016 to 2020, Coca-Cola's revenues increased from \$41.9 billion to \$43 billion. While the rise may not be as dramatic as the growth seen in tech-driven industries like Netflix or Amazon, Coca-Cola's use of data has nonetheless played a critical role in maintaining its position as a leader in the beverage industry.

The Transformation of Market Orientation: From Intuition to Data

The shift from intuition-based market orientation to data-driven decision-making represents a fundamental transformation in the way businesses approach customer engagement. Traditionally, businesses relied on market research, customer surveys, and focus groups to identify consumer needs and wants. However, as the availability of data has increased, companies now have the tools to move beyond subjective interpretations of customer behavior and instead base their decisions on objective, quantifiable insights.

This shift aligns with Herbert Simon's concept of bounded rationality, which argues that decision-making is often constrained by the limitations of human cognition. While humans may attempt to make decisions based on incomplete information, data-driven marketing enables businesses to overcome these limitations by providing a wealth of information that enhances decision-making accuracy. In the context of marketing, this means that companies can more accurately identify customer needs and wants based on data rather than relying solely on intuition or traditional research methods.

Furthermore, the concept of market orientation, which once focused on understanding customer needs and wants, is now evolving to emphasize the anticipation and prediction of customer behavior. Rather than reacting to customers' expressed needs, businesses are increasingly using data to predict and shape customer preferences before they are even articulated. This shift reflects a deeper philosophical change in how businesses view their role in the market: from passive responders to active orchestrators of consumer demand.

The New Era of Data-Driven Marketing

The redefinition of marketing in the data age represents a profound shift in both business practices and philosophical approaches. Through the case studies of Netflix, Amazon, and Coca-Cola, we can see how customer data has been harnessed to optimize marketing strategies, enhance customer experiences, and drive financial performance. At the same time, the evolution of market orientation from intuition-based strategies to data-centric decision-making signals a broader philosophical shift in how businesses engage with consumers.

As data continues to shape the future of marketing, companies must embrace the power of analytics and predictive modeling to stay competitive. The transformation of marketing in the era of data is not merely a technological evolution—it is a fundamental shift in the relationship between businesses and their customers, one that is characterized by the increasing precision and sophistication of data-driven strategies. Ultimately, the future of marketing will depend on how well businesses can adapt to this new paradigm, using data not only to understand but to anticipate and shape consumer behavior.



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Dr. Rae Yule Kim, Assistant Professor of Marketing at Montclair University, is at the forefront of data-driven marketing evolution. He harnesses big behavioral data to unlock consumer insights, fueling innovation for tech startups with breakthroughs like socially sustainable social media and AI-powered chatbots. He also serves as an academic editor for the PLOS ONE Management Science section.