Analytical insight: bringing science to the art of marketing

A best practice white paper from Experian

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Introduction

With marketing under constant pressure to innovate and compete, the lion's share of your effort is understandably directed at the execution of your go-to-market strategy –whether it's product development, packaging, promotion or communications.

You may view number-crunching simply as a means to an end. Perhaps that's why the value of data to the marketing function has historically been underestimated – more so than in sales, finance or operations, where numbers have always visibly driven business decisions.

However, in these cost-conscious times, static or shrinking budgets no longer indulge an experimental approach to marketing. You're expected to be able to directly attribute ROI to specific initiatives to justify further campaign activity and improve conversion rates. But precision marketing requires laser guidance.

Data-driven marketing – what's holding you back?

In an ideal world, the ability to capture and mine customer and prospect data for insight should form the cornerstone of any marketing activity. Understanding your data can help you plan marketing programmes and determine which activities or channels are generating maximum results and return. Data can reveal your top-performing customers and help you predict their needs in order to maintain their loyalty. And data can underpin innovative, automated marketing practices that help you send the right message to the right audience at the right time.

However, the reality often falls short of this vision. Do the following scenarios seem familiar?

Information overload

You don't suffer from a lack of data - in fact, you're awash with it. Whether bought or internally generated (such as transactional records), your data resides in various repositories across your organisation– spreadsheets and databases that can't talk to one another. So despite having data everywhere, there's little real insight to hand.

Manual analysis

Most analysis is still firmly rooted in spreadsheets – a process that is labour-intensive and prone to human error and inconsistencies. Equally culpable are legacy Access databases put together by well-intentioned predecessors, which IT departments are reluctant to support.

Unscientific planning

In the absence of trusted data on which to base predictions, you end up relying on gut feeling or guesswork to drive your decisions. A lack of customer profiling sometimes means your marketing messages fall on stony ground.

Lack of retrospective

With an absence of formalised monitoring and measurement of campaign performance, hard-won lessons are lost and precious budgets squandered by doing what you've always done and getting the same old results.

Automation out of reach

Until your data is under control, you can't implement the marketing automation needed to fulfil a sophisticated, multi-channel demand generation strategy.

How can you extract greater value from your data? By bringing science to the art of marketing to convert information into intelligence. This paper shows you how to achieve this by breaking the process down into five manageable stages, and offers some practical guidance on choosing the right tools for the job.

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5 steps to smarter marketing with analytical insight:

1. Harmonise your data
2. Obtain a single view of the customer
3. Produce real analytical insight
4. Use intelligence for smarter marketing
5. Constantly refine your approach

Best Practice

Five steps to smarter marketing with analytical insight

Step 1 - bring all your data together

Why silos are a no-no
Multiple sources of data usually mean multiple owners, each of whom may record, format, manipulate or maintain information in a different way.

If customer data is scattered across numerous spreadsheets or proprietary databases, chances are it's incomplete, duplicated, conflicted or otherwise untrustworthy. Whether you've acquired it or generated it, all data has an associated cost – and a shelf life. Its validity and value diminishes over time if not adequately maintained.

At best, you could be wasting the price of a stamp on sending direct mail to a "goneaway". At worst, inaccurate data could lead to loss of customer trust and business.

Once you've tracked down your data, aggregating it into some sort of usable form invariably involves copying and pasting it into a spreadsheet, trying to map source and destination fields as you go. It's not just time-consuming – it's easy to unwittingly introduce errors that may go undetected until it's too late.

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Integration is the key
The answer is to integrate and harmonise all of your data – customer, product, transactional, contact and response data – within a single repository. Integration substantially simplifies data quality efforts such as cleansing, auditing and restructuring. It also makes it easier to put an ongoing data governance plan in place with a clear statement of ownership, to ensure verified data stays clean, current and correct.

Centralisation also provides a common interface, enabling department- or company-wide access to customer data through a single, controlled point of entry, so everyone in your organisation is on the same page.

If you buy in prospect data from a list broker, integration with your existing data will simplify activities such as de-duping or cross-matching against 'Do Not Call' lists. You will be also be able to track your data as it matures and establish ROI against specific lists to test its quality and effectiveness. This allows you to fine-tune your customer profiling over successive campaigns to identify better qualified prospects.

Most importantly, data integration is absolutely fundamental to the holy grail of obtaining a single view of the customer.

Step 2 – obtain a single view of the customer

Chaos and confusion

As organisations have diversified, offerings and promotional strategies are becoming ever more complex and channels to market are multiplying. Customers are becoming increasingly knowledgeable in their purchasing behaviour, buying across multiple channels in the pursuit of balancing price, quality, function and convenience.

As a consumer, you've probably experienced the frustration of dealing with a company that doesn't integrate your information – providing your details twice to different call centre operatives or receiving conflicting letters, for example. From a business perspective, a lack of cohesion can result in poor customer service, missed opportunities, poorly-targeted campaigns, a tarnished brand reputation and loss of customer loyalty.

As an added challenge, customer service excellence is now increasingly defined in terms of proactivity. To succeed, you need to pre-empt rather than merely react to your customers' wants and needs – and meet them before your competitors do. This predictive capability is almost impossible without access to high quality, reliable customer insight.

It's also worth remembering that even if your organisation respects all the relevant codes of conduct regarding data protection, permission-based marketing relies on good data hygiene and carries the threat of severe penalties if customer privacy is breached.

Customer clarity

Drawing together disparate data sources to create a 'single view of the customer' provides visibility into their every interaction. Whether your customer is a consumer, patient, citizen or another business, you can start to build up a detailed picture of that individual's or company's behaviour over time.

This is crucial in ensuring your marketing activities are accurately targeted and highly personalised. With reliable insight, you can achieve greater relevance and resonance in both the content and timing of your communications, helping to establish a more credible dialogue.

With the clarity afforded by a unified view, you can uncover cross-sell or up-sell opportunities that may not previously have been evident. You may also gain some valuable pointers for future product development by responding to a cluster of customer preferences or unmet needs.

Lastly, don't forget that a single customer view can make all the difference to your ability to meet regulatory and privacy management requirements. Being able to audit and substantiate your customer interactions facilitates compliance with measures such as the EU Data Protection Directive.

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Step 3 - produce real analytical insight

Raw data doesn't tell a story

Once you've established your single customer view, you need to analyse and interpret your data in order to identify patterns and emerging trends.

The weakness of marketing analysis is that it's invariably spreadsheet-based. While your colleagues may be comfortable with Excel, not all will be well-versed in statistical analysis techniques. A lack of data and process control inevitably leads to undocumented and untraceable assumptions behind other people's calculations. Too often, nobody knows who created, updated or modified the spreadsheet – or why.

You could, of course, rely on experts from IT or dedicated analysts to slice and dice customer data for you but their resources are not boundless and IT bottlenecks may mean you miss valuable opportunities or key deadlines.

Another disadvantage of manual customer analysis is that it tends to be retrospective, rather than predictive. While historical insight is undoubtedly valuable, you can't see the road ahead if you're constantly looking in the rear-view mirror.

Turn data into intelligence

The answer lies in marketing analytics that support a self-service approach to extracting insight. Preconfigured functionality can now empower you as a marketer, rather than an IT specialist, to undertake a point-and-click exploration of your data for yourself. You can perform highly sophisticated analysis without having to master complex algorithms or build numerical models.

You can easily share your findings without having to write reports from scratch by using pre-defined reporting templates and dashboards built on best practice. These tools turn your dry, dusty numbers into a vivid narrative that points to a clear course of action– what's known as 'actionable insight'.

The most enlightening part of clear market intelligence is being able to understand not only your customers, but also the relationships you have with them – how loyal or profitable they are, how their behaviour varies over time or across channels – and direct your efforts and resources at the high value ones. With credible, accurate analytics, you can make predictions with greater confidence and a diminished margin of error instead of shooting in the dark.

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Step 4 – enable automation for smarter marketing

Maintaining the customer conversation

The marketing community has a broader and more exciting array of channels at its disposal than ever before. However, whether they are consumers or business people, decision-makers are much more receptive to being engaged in a two-way conversation than just being talked at. If you want to nurture a meaningful, enduring and ultimately profitable relationship, your communications must be relevant (i.e. say the right thing to the right person) and timely (appropriate to the stage of the customer journey).

Multi-channel marketing is therefore not only complex, it is also time-sensitive. The artistry of a good marketing conversation lies in developing an understanding of key events and triggers so you know when the time is ripe for the next contact.

Marketing automation – open-ended possibility
At its most basic, marketing automation enables you to reduce repetitive tasks so you can focus on your strategy. But where it really excels is in enabling the fulfilment of innovative, multi-channel marketing strategies.

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Marketing automation employs a sophisticated system of logic and rules to trigger specific activities on demand. For example, you could determine that when a customer clicks through to your website from an email, a voucher code is automatically sent by SMS to her mobile for her to redeem in store. Or, as soon as a prospect registers for a webinar, he is subsequently emailed an accompanying white paper to further his research into your proposition.

Marketing automation is more than software – it's an entire system focused on the management of high-volume marketing programmes. Combined with a well thought-through campaign flow, automation can help your business to achieve greater influence and engagement with prospects and customers alike.

Step 5 – refine your approach

Take a backwards glance
If you don't monitor and measure the success (or otherwise) of your marketing initiatives, valuable learning opportunities are lost. You risk abandoning a new channel or tactic prematurely, or diluting your marketing budget with safe options that deliver unspectacular results.
Ironically, in order to anticipate, react to or exploit opportunities, you first need to take a backwards glance.

Performance tuning
Being able to quantify campaign performance – both in terms of lead generation and profitability – allows you to do more of what works and less of what doesn't.

You can take performance analysis a step further by adopting a 'closed loop' approach to marketing. This discipline involves tracking customers' responses to your interactions (such as webinar registrations, voucher redemptions or white paper downloads), accurately measuring the ROI on marketing spend and calculating the impact of campaign efforts on sales. Your marketing plan can then be fine-tuned to reflect customers' evolving wants and needs, histories and behaviours, or stage of the buying cycle, thereby creating a true relationship.

Additionally, by examining your sales team's record of converting previous leads, you can more easily pinpoint the attributes of a high quality prospect, which will inform future profiling. You can also tangibly demonstrate the calibre of leads, helping to create better alignment between marketing and sales.

Summary

Practical guidance on extracting greater value from your data

There has never been a greater need for marketers to make full use of their data. Thankfully, with today's sophisticated yet affordable solutions for customer data management, marketing analytics and automation, there's never been a greater opportunity.

Implementing a robust marketing data management system doesn't have to mean substantial up-front expenditure, risk or upheaval if you break it down into a simple, 3-stage process:

1. Fix what's broken: Consolidate and cleanse existing data to address the immediate problems of unreliable or inaccessible information

2. Do what you do now, faster and better: Replace manual number-crunching with analytical capability to boost productivity and yield more reliable insight

3. Do new things you can't do now: Add automation to enable smarter multi-channel marketing practices that put you ahead of the curve.

Become the hero of your own marketing department

If you're looking to lead this type of initiative in your organisation, what should you look for in a solution?

Firstly, choose an open-ended platform, provided and fully supported by a single supplier, on which you can integrate multiple functions.

Look for one that allows you to build your database capability in modular fashion, adding only what you need and can afford. Being able to illustrate potential efficiency gains or incremental ROI at each stage can help you build the business case for adding more functionality down the line.

The system must be simple and intuitive to master for business users so that lack of training doesn't become a barrier to adoption. You and your colleagues should require minimal support and intervention from IT on a day-to-day basis.

Be evangelical – aim for 100% user penetration across marketing and any other department that would benefit from visibility into your activities, such as sales, finance or the supply chain.

Lastly, if further incentive were needed, remember it's not a purely altruistic use of your initiative. Whilst helping your organisation realise the value of customer data carries clear business benefits, it also presents an opportunity to become the hero of the marketing department and achieve measurable, career-enhancing successes.

About the author

Marie Myles, Director of Consulting
Marie has a wealth of client and supplier/agency experience in delivering data and insight driven actions and business benefits. A senior direct marketer with over 12 years experience managing and delivering large scale sales and marketing plans in the utilities (TXU and ScottishPower) and telco (ntl) markets.

This is backed by over 7 years experience agency and supplier side ranging from a Senior Planner in a direct marketing agency to leading a consultancy team in the analytics sector. Able to adapt and apply her skills in other sectors with extensive Financial Services and Home Shopping experience as well as travel and now the luxury market; in fact any sector where customer data management and the application of analytics and research is key to added value.

Marie backs these marketing credentials with a strong commercial background and extensive team and project management skills. Marie has a BA (Hons) Economics backed by professional diplomas in Management Studies, Chartered Institute of Marketing and the IDM Diploma in Digital Marketing(distinction)

About iMarketer

Experian iMarketer is a high performance, multi-channel analytics, reporting, modelling and campaign management database solution. A wealth of customer, account, transactional and product data can be integrated in one single database with the option of overlaying Experian's extensive range of enrichment and prospecting data.

Extremely flexible, Experian iMarketer can be hosted either in-house or externally, and is easily configurable to any internal systems architecture. Experian offers a complete range of consultancy services to take you from business case, through implementation to tangible ROI.

About Experian

Experian is the leading global information services company, providing data and analytical tools to clients in more than 90 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision-making.

Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

To learn more about how Experian can help you bring science to the art of marketing, visit www.experian.co.uk/imarketer or call 0115 968 5005