



HOW TO BUILD A DATA DRIVEN MARKETING ORGANISATION

A GUIDE FOR CMO'S AND MARKETING LEADERS



INTRODUCTION

Imagine having a marketing department that runs on deep data driven insight, all at your fingertips. Conversations and decisions will evolve from directional assumptions and speculation to a well-defined process, while increasing the likelihood of a more accurate outcome.

Done right, data analytics and insights will transform your business to effectively navigate the evolving environment, bring new opportunity and build a sustainable competitive advantage.

The issue however, is that when most marketers hear analytics, they think of your first level metrics associated with Google Analytics such as traffic, conversions, bounce rates etc. This is not enough.

The fact is, to stay ahead of the game, marketers need to go far deeper to realise the possibility of data and insights, or threatened being left behind. It has moved from a nice to have, to a mission critical function within a business.

However, even though businesses and marketing leaders are constantly being told about the benefits of data, the reality is that many don't know where to start, or have the time, expertise or resources to produce insights that impact their day-to-day decision-making or change the way they run their business.

This paper aims to help solve this problem. We have designed it for marketing leaders who are looking to implement a data-driven marketing department and change the way their marketing is run. In it, we discuss three key areas:

- 1. Examples of what leading marketing organisations are doing with their data**
- 2. The road map for building a data-driven organisation**
- 3. How to develop your organisational capabilities**

It is our intention that once complete, marketing leaders will have a further level of insight on how data and analytics can help shape their marketing, as well as a roadmap for starting.

Data, analytics and insights are truly transforming the way marketing departments are doing business. We believe now is the time to develop a structured and pragmatic approach to building your data-driven marketing organisation.

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PART 1

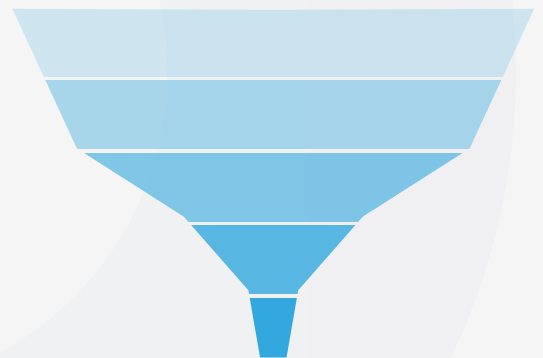
EXAMPLES OF WHAT LEADING MARKETING ORGANISATIONS ARE DOING WITH THEIR DATA



When it comes to data and analytics, the opportunities are endless. They can lay the foundation for targeting opportunities such as new markets to enter, understanding customer related patterns and trends, and ultimately personalising communications and initiatives. As a result, this allows marketers to be incredibly targeted with their efforts, which leads to better customer acquisition and retention.

To dive into best practice, we have broken down examples of the types of analytics and insights being used across the marketing and customer lifecycle. That is; understanding and identifying opportunity, the attraction, selling and retention stages, as well as marketing operations.

While these examples are not exhaustive, they are indicative of the thinking and impact that data and analytics can have for a marketing department. The key is to align your insights to what you are looking to achieve as a company and build from there.



1 UNDERSTANDING AN IDENTIFYING OPPORTUNITY

Customer Segmentation & Analysis: Customer analysis focuses on improving your understanding of your customers. The Interactive Advertising Bureau (IAB) released a study in 2018 highlighting that companies have invested \$19.2 billion on the acquisition of audience data and solutions to manage, process, and analyse their data – a 17.5% increase year over year.

By segmenting your customer base through the data-science practice of clustering, we can understand their needs, drivers and value to the business. This can include:

- Who: gender, age, income, job, family
- Where: location, proximity to geographies and points of interest
- What: most recent purchase, total purchase, spread of purchase, product sentiment
- Psychographics: goals, beliefs, drivers
- Attitudes: values, personality, habits
- Prediction: what are they likely to do
- When: days of the week, seasons, holidays.

Ultimately, this practice will look to understand your ideal clients, build strategies to attract more of these clients to your business and maximise their life-time value. In addition, it allows you to customise marketing efforts. These include:

- Creating personalised messages and offers
- Predicting future purchase patterns
- Customising products and services
- Adjusting pricing for value maximisation

If the mecca in marketing is delivering the right message at the right time to the right person through the right channel, imagine if you could take it to the next level by adding in dynamic offers and pricing to maximise customer and company value. Advanced customer segmentation and analytics will allow you to do this, mixed with hyper-personalisation tools (see point 3 below).

2 ATTRACT

Marketing Mix Modelling (MMM): With any modern-day approach to marketing, understanding closed loop ROI across programs and channels is the holy grail for quantifying marketing effectiveness. MMM uses the principle of multi-linear regression, a statistical technique that determines the linear and non-linear relationship between marketing efforts and subsequent sales. The dependant variable is sales while the independent variables are the programs. Companies aim to quantify the effect of marketing on revenue by understanding the impact of each variable on each other.

Once the historical effectiveness is established and split out from a macro through to channel level (a win within itself), predictive models are applied to forecast the effectiveness of future efforts. This manifests itself with a view on what programs should be run at what time and to who. This in turn allows marketers to understand what programs they should be focusing on and where budget allocation should be based upon impact to sales and revenue.

3 SELL

Hyper-Personalisation: Salesforce found that 52% of customers are extremely or somewhat likely to switch brands if a company does not make an effort to personalise communications with them. AI and machine learning-based marketing tools are changing the very core of how marketers make decisions and deploy campaigns to achieve hyper-personalisation.

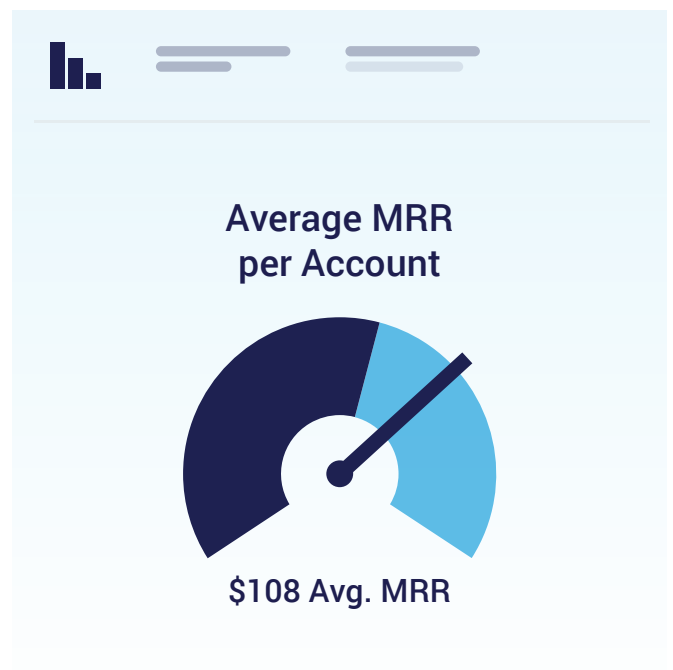
Hyper-personalisation is being enabled via understanding behaviour of an individual rather than a statically defined assumption. AI-based tools are making personalisation easier by learning through each interaction and delivering an aligned experience based upon those interactions.

From a programmatic standpoint, one of the biggest challenges marketers have when trying to personalise interactions with their audience, is understanding and developing the myriad of content and subsequent combinations required to achieve personalisation. New age AI based systems can now process pre-defined rules and directions that create and deliver individualised content, in real time to each recipient.

Customer Lifetime Value: If Pareto's principle (the 80/20 rule) still rings true for businesses, the identification of the customers who bring us the most value and nurturing them should be a priority for all marketers. The goal of predictive customer lifetime value is to model the purchasing behaviour of customers to predict what their future actions will be.

Predictive analytics can help marketers identify visitors and existing customers who are more likely going to be high-value contacts or long-term customers. This can start with developing customer value classes based upon segmentations and purchasing behaviour. Once established, different rules and effort levels can be applied based upon the predicted value that this customer will bring to the organisation.

These patterns can also be further analysed and pressed upon as more data is presented. The more in-depth understanding we have about our customer's behaviour, the better we can design our products and optimise promotions for these customers resulting in greater revenue.



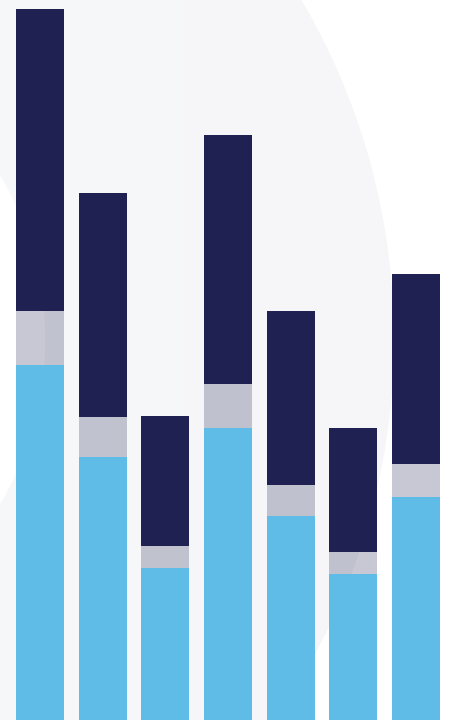
4 RETAIN

Customer Satisfaction (CSAT): According to IBM, 66% of CMO's say developing deeper, richer customer experiences is their top marketing priority. As such, staying ahead of the competition, knowing an issue is an issue before it is presented, and providing a world class experience in an Omni-faceted digital world means more than just focusing on a traditional NPS or static customer satisfaction metrics. An outstanding end to end experience is what drives repeat business.

Massive sets of unstructured and structured data as well as the prolific volume of channels and touch points (online, mobile, social, direct contact, surveys etc.) are transforming the way business responds to individual customer needs.

First, organisations are looking at the relevant mix of attributes that relate to CSAT including product purchases, frequency, social media sentiment, length of relationship, interactions with the company etc. to develop a view or 'satisfaction framework'. They then coordinate and bounce the various data-sets off these attributes to build models that predict sentiment from positive (advocates) through to negative (detractors) and align communications and programs accordingly.

The result is addressing issues before they eventuate and identifying advocates for their brand to further share the positive message through programs such as reviews and case studies.



5 MARKETING OPERATIONS

The Control Centre: An effective marketing operations function serves as a control centre for the marketing organisation. This includes performance management and reporting, workflow development and process optimisation, benchmarking, playing a key role in strategic planning, budget optimisation and creating efficiencies across the organisation.

In a data-driven marketing organisation, marketing operations should be helmed with unifying and centralising data and analytical capabilities, and empowering the wider organisation to be successful. When done right, it gives the organisation the ability to look across the entire buyer's journey, understand the performance workflow and provide macro-context. As an example, marketers can dive deep into the ways visitors engage and interact with their organisation by producing endless data variables through predictive models. Marketing operations should be the glue that ties it all together for the company and provides the views required for end to end optimisation – a challenge that increases with the size of the company.

In addition (and this is mentioned later), the marketing operations team plays an integral role in data management and process best practice.

PART 2

THE ROAD MAP FOR BUILDING A DATA-DRIVEN ORGANISATION



In this section, we break down the data-driven roadmap into four key parts. It is our intention that by developing focus areas, you will be able to align and prioritise your journey.

1 HOW & WHERE TO START

Always begin with questions that need to be answered. Once this clear, it is important to start focused and small. Targeted use helps businesses see the value in data and analytics easily. In addition, businesses become adept at using it. With every positive outcome achieved, both confidence and experienced are gained. Like working on a huge jigsaw puzzle, a good start is to put together just a part of it. Once done, it will be easier to see the bigger picture. An ill-defined scope (or aiming too big, too early) will misguide efforts and slow down your data analytics initiatives.

Examples of ways you can get to your starting point include:

- Asking what are you biggest marketing priorities? Is it new customer attraction? Increasing the value of current customers? Listening to the market? This will determine where you point your initial efforts.
- Identifying the 'one burning desire' that will make your job easier/the function more effective by using analytics.
- Identifying a business opportunity and see how data can get you there through insight and improved performance.
- Asking 'what drives the most value for the company'?
- Thinking about a key message you trying to share with the wider organisation that would be strengthened with a data-driven conversation behind it?

A roadblock that some companies face at this point is the lack of data or clean data to drive efforts. Through defining the right questions at the start of the project, you will be able to understand the cuts of data required and how far you need to drill down to get your answers. If you do not have access to the data, setting a plan in place to get it should become a priority. Ensuring you have the right data sources is foundational and over time you can enrich your data by adding new datasets, such as external overlays.

In addition, ensuring you can drill down to the required level is just as important. You are better to drill down further and create deeper rules as it will allow for a more robust line of questioning as you explore the outputs.

2 VISUALISE & PUT IT INTO CONTEXT

Now that we have the data, we need to make sense of it in a way that is easily consumed. Modern-day data visualisations and business intelligence platforms are changing the way we can view and interact with data.

By building easy to use business intelligence dashboards for all aspects of your people and business (such as Qlik and PowerBI), we can quickly understand what the data means.

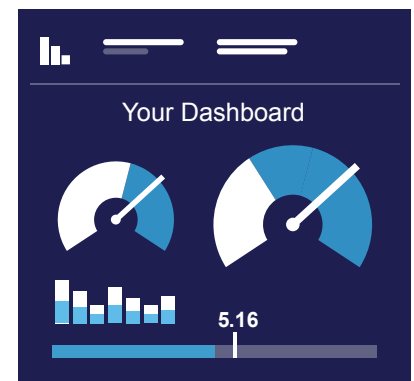
An important note at this stage which can be overlooked, is that you must ensure you select data visualisation tools that can best represent your data for easy consumption AND aligns to the skills set of your organisation in the building phase. The proliferation of vendors over the last few years has seen an explosion in tools, but not all are equal in quality and complexity. It is important to get the right fit.

Once you and your team can visualise the data, understanding what the data means in the real world is arguably the most important part. Business intelligence needs to be real – not just numbers and visuals. Put it into context by asking the right questions and developing actions.

It is ultimately the responsibility of everyone involved in the project to continually iterate the views, as context encourages action.



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This can be done by thinking about variables such as:

1. How does this align to what we are trying to achieve?
2. What is happening in the wider market?
3. What are the historical trends?
4. What operational factors could influence this?

When you shape your data as part of a broader context, the story begins to emerge.

3 MOVE FROM ACCESS TO ENGAGEMENT

Data analytics and insights is not just for the few. It must be shared and become a part of everyday business.

As a leader, you must democratise your data to empower individuals and functions within organisations to understand and take ownership of what they need to be as effective as they can be. People must engage with it – not just have it presented to them.

Ensure you give access to your team to play with it, learn from it and engage in the process. This includes working across departments. Empower people to dive deep and lead the next iterations and roadmap for your data initiatives

In addition, by giving the wider organisation intuitive tools such as business intelligence dashboards you will break down silos and allow them to discover the context they need to positively contribute to the initiatives, which will further strengthen the evolution.

4 TRANSFORM THE INSIGHTS INTO ACTION

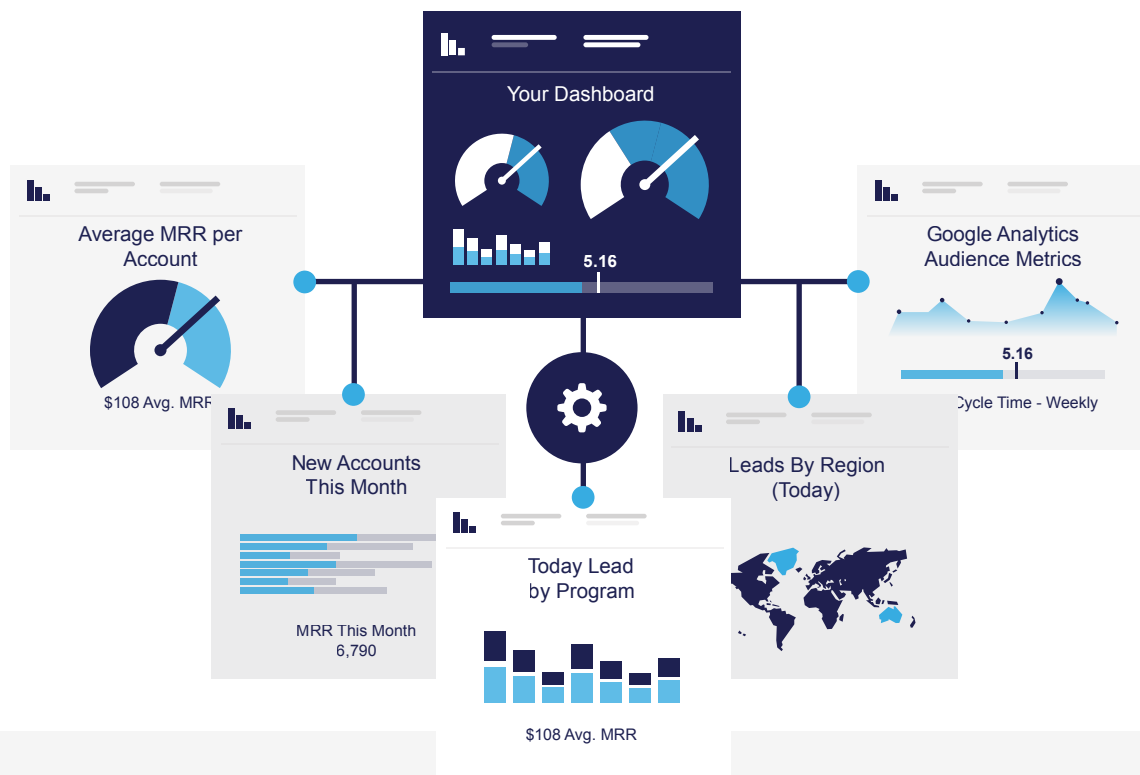
Finally, the purpose of a data and analytics initiative is action. To do this, you must develop business relevant insights that can be put to use. The outcomes and direction need to be incredibly clear for the wider team and stakeholders in the process. In addition, we need to be aware of not limiting the potential of our data by using it to support decisions we've already made, rather we need to use it to drive action.

Many data and analytics initiatives fail because they are not in sync with decision making norms or the way that the organisation goes about their usual business. The sudden injection of actions based upon a new way of conducting business can cause an organisational jolt and push back. This is where storytelling becomes important.

Data storytelling focuses on creating a bridge between our data and its real-world applications by building a narrative. This process humanises the data-efforts so we can understand it and move it into action. It allows leaders to rally organisational efforts behind the findings and articulate why they matter and what needs to be done, as much as what they are.

Through a well-articulated story in line with the organisational priorities and outcomes from the findings, you will be able to create a sense of buy-in and urgency, furtherer strengthening the backing of your project.

At this point in time, it is also important to be mindful of avoiding a potential disconnect from the centralised team to the frontline. There have been times when we have seen centralised insights provided to the frontline marketing team responsible for making key decisions, however they dismissed the data as they did not understand the mechanics of how it came to be and as such, did not trust it. This circles back to the importance of data-democratisation and sharing the relevant tools as far and wide as possible.



PART 3

DEVELOPING YOUR ORGANISATIONAL CAPABILITIES



According to Quantic Mind, 97% of leaders believe that the future of marketing lies in the ways that digital marketers work alongside machine-learning based tools. This highlights the critical nature of having the right people in your team to lead, action and promote your data-evolution.

YOUR TEAM & PROCESSES

In-house or outsource: Understanding who from inside and outside the organisation you need to get involved is imperative from the start. According to IBM, the most progressive organisations will be appointing a role to specifically oversee marketing data. To them, data integration and marketing data architects will emerge as new and vital roles in marketing organisations to analyse data and customer behaviour alongside machine learning tools, make recommendations and predictions, and get smarter based on the data and information fed into them.

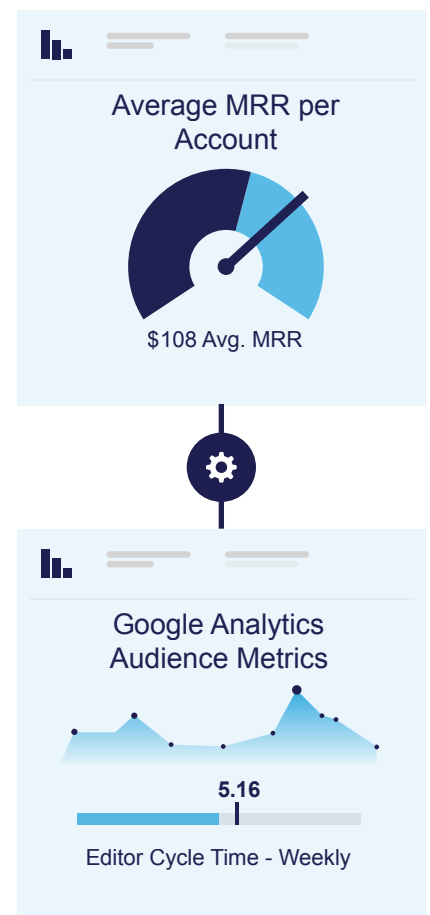
A study conducted in late 2018 found that 78% of the senior digital media decision-makers would choose to outsource their data strategy and execution. 30% were confident in their strategy but needed help with execution, 22% had a basic understanding but needed help optimising and 14% needed help for all their efforts.

To get a data initiative off the ground, both strategy and execution require investment in people and technology. Many times, an outsourcing strategy allows time to work collaboratively, learn with guidance and build capabilities as wins present themselves. Regardless, if there is to be long-term success, executive sponsorship and buy in is needed to continually push the agenda and lead by example.

Build a data workflow: Understanding where data comes from, who needs it, who supports it and how it flows through the organisation is an imperative step when building your data initiative. This ensures that there is complete organisational buy in and commitment to making your initiative work, as well as setting yourself up for success.

Being successful with this process can be done by creating a data workflow for your organisation and supporting teams. By having a data map, you are ensuring the right data is being collected with the quality required, the right people are involved along the way and there is efficiency in the way it flows through the organisation. As a marketing leader, you need to avoid confusion and redundancy, and ensure quality is maintained throughout the process.

Clear ownership and handoffs are important at this stage to ensure there is accountability and the right outcomes are being delivered.



Upgrade data literacy: Knowing data is important is one thing, but being able to use it is another. That's where ensuring your team has a good level of analytical literacy is important. Your team must be at a level where they can interact with data to make informed decisions. This can be achieved by ensuring everyone has access to the data, making data core to all discussions, offering training and of course, leading by example.

In addition, ensuring your team has sound technical marketing understanding is essential as the skills gap between traditional corporate marketers and digital native marketers widens.

Build a fact-driven culture: Leading businesses have fact-driven cultures that drive their discussions and actions. By requiring all discussions and key decisions to be backed up by facts, your culture will rapidly evolve to one that moves beyond assumptions and speculation and further drives a need for richer insight.

Embed active data management into your processes: As data sources become more complex, diverse, and numerous, data management is now even more critical in modern business intelligence deployments. Organisations must ensure accuracy within their data and its use in analysis as well as 'one source of truth'. The key is to identify the most foundational data sources and actively manage it over time through a series of processes and rules. This could be organisation wide, such as CRM best practice, or a data-cleansing and enrichment team responsible for data quality.

SUMMARY

Building a data-driven marketing organisation is a marathon, not a sprint. It will also vary depending on your goals, timelines, capabilities and urgency.

Our experience suggests that leaders must act now to begin their data journey. But instead of getting overwhelmed with massive change, the focus needs to be on targeted efforts to source data, build models and transform the culture of the department and wider organisation. You must view it a central component of solving problems and exploiting opportunities to drive competitive advantage.

Once you have a firm grip on the basics and it is being used effectively, build a roadmap that will see your efforts and capabilities evolve over time.

Marketers who embed data into their strategy will win in the future. There is no better time to start than now.

ABOUT SolveBI

SolveBI is a data consulting and business intelligence company. We use best in class strategies and technology to enable businesses to build data driven insight. Business owners, executives, departments lead's and analysts use our service to create data-driven organisations.

We enable this insight through data strategy consultation, data management and implementing data visualisation platforms. We then use the insight to empower teams to ask the right questions and develop actions for success.

We exist to enable businesses to drive a data-driven culture and turn decision-making into a strategic advantage by uncovering insights and turning them into opportunity.

Let's chat about dedicated BI solutions for your business.

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