

An aerial photograph of a city intersection, likely in New York City, showing several yellow taxis and other vehicles. A large, ornate monument is visible in the lower right corner. The image is used as a background for the book cover.

TURN

The CMO's Guide to Data-Driven Marketing

Smart Market: Vol. II
Data-Driven Marketing, Demystified

With Support from



WELCOME TO THE NEW MARKETING

Data is changing the very essence of marketing. Gone are the days of hunches and going with your gut. The integration of intelligence into decision-making — from customer segmentation and creative optimization to media buying and measurement — has become a marketing imperative, leading to marketing that's more efficient, connected, and impactful. Advertising has traditionally relied on broad-reach vehicles like television, but the game has changed with device fragmentation. Today's marketer can build on the solid foundation that TV still provides, and at the same time leverage the data it generates to forge ahead with innovative multi-channel marketing. Many marketing teams are already adopting data-driven strategies piecemeal, but few organizations are realizing the full potential of data-driven marketing.

It may seem complicated, but it doesn't have to be. Working with a trusted partner — such as an integrated marketing platform or tested data-driven agency — can get you there by helping you hone in on the best technology to support your marketing, for any type of campaign. To show you how simple it can be, we've developed this data-driven marketing workflow, which highlights how data can inform and optimize every step of the marketing journey.



STEP 1

DIGITAL DATA CENTRALIZATION



Integrate That Data

Got data? Bring it on. Long before the ascent of big data, there were mailing lists, purchase records, and sales databases — essential data on which businesses (and marketing plans) were built. Thanks to digital identifiers such as cookies, which can be paired with data from a whole new generation of providers, we can learn way more about our customers these days. But every piece of data, especially those old-school spreadsheets, still counts. So the first step in data-driven marketing is to integrate your offline data with everything you've learned about your customers online (and from your trusted data partners).

Here's how:

- A** Upload your offline first-party (i.e., proprietary) data: set-top-box data, brand surveys, sales leads, call center logs, and purchase records from your catalogs and brick-and-mortar stores.
- B** Integrate it with your online data — such as cookies, online sales info, and social metrics — into a single body of first-party data.
- C** In partnership with a data management platform (DMP), bring together your first- and third-party data to flesh out a complete picture of audience behaviors, attributes, and content habits — all within a single, centralized customer data hub.

¹Domo, Report: 2013 Data-Driven Marketing Survey

CONSUMER INTELLIGENCE



Get to Know Your Audience

Now that you've consolidated all of your data into a single online resource, it's time to get up close and personal with your customers. By digging into your data to learn about your customers — their online and offline purchasing behaviors, their preferences and affinities, their media consumption habits — you can apply new insights in a way that will help align your organization with customer-focused marketing. What's more, the benefits of real consumer intelligence can extend well beyond your marketing department to sales, customer service, and other business areas.

Define Audience Segments

Create profiles of your most valuable customer segments — wherever they may be (mobile, online, social, etc.) — including the following characteristics:

- Demographic profile
- Share of customer base/market
- Products/services previously purchased
- Preferred media/platforms for engagement
- Website content consumption

Find Look-alikes

Reach new customers that look like your segments by extending your customer segments with look-alike modeling. Leverage relevant data sets (again with your trusted data partners) to find and engage with consumers whose behaviors resemble those of your existing high-lifetime-value customers. This also allows you to expand your reach without diluting the impact of your targeted messaging.

Color in Your Audience Picture

Leverage your consumer intelligence hub to move past the basic audience characteristics of age, gender, and income to discover more specific audience attributes. A few great questions to ask about your customers might be:

- Who buys from your brick-and-mortar stores versus on a connected device?
- Do certain customers visit only certain sections of your website?
- What differentiates visitors to your site from those who become customers?

Develop Personas

Personas are fictional characters that embody each key segment of your audience, including existing customers and your new “look-alikes.” Creating personas and messaging practices aligned with each one will help your team visualize your target audience and improve staff alignment with customer-focused marketing.

“At the end of the day, every engagement matters — having a holistic view of all interactions and using that data to derive insights and make decisions is critical.”

— Clay Fisher, Sr. Director, Digital Marketing and Product Development, DIRECTV

STEP 3

MEDIA INTELLIGENCE



Prepare to Engage

Now that you know whom you want to reach, how much are you willing to invest to reach them? Engaging in media ROI simulation while planning your campaign strategy can help you define ROI per customer segment before you've spent a nickel. Consider how best to reach each of your audience segments and index ROI for advertising via various channels: search, display, mobile, video, in-store, print, email, TV, and social.

STEP 4

MEDIA PLANNING & EXECUTION



Turbo-Charge Your Creative Map That Messaging

You know who your target customers are, so give them messaging that matters. Go the extra mile by developing creative that will resonate with each audience segment and align it across delivery platforms — email, display, mobile, etc., based on your data-driven audience profiles. All this effort will pay off when your customers find themselves on the receiving end of an optimized user experience, driving sales and enhancing brand loyalty.

Be Dynamic to Boost Performance

Optimize your ads on the fly by developing templates that will allow your team to create relevant and responsive ads without long production times, heavy resourcing, or high costs. While you're at it, test different versions of your creative on different screens and build a library of best performers — the ads and offers that deliver the best ROI on each platform.

"Ask your agency or digital marketing platform — specifically a demand-side platform (DSP) — to establish direct relationships with publishers that will grant you access to premium inventory at reduced cost. One retail advertiser reduced CPMs by 25% in direct deals, upping return on ad spend by more than 70 times."

— Brandon Bethea, Chief Technologist, Sq1

Go Programmatic

Be a Smart Media Buyer

You've got more than a hunch now about which audience segments are worth your media budget, so put them to good use:

- Develop buying rules tailored to your target audiences. Establish strict audience criteria and bid rules — based on demographic, contextual, technical, and budget parameters — to drive your buying and ensure that every dollar is maximized for performance.
- Set your media bidding strategies based on actual customer value and frequency from transactional data (whether you're loyalty-generating, prospecting, or upselling).

You could also benefit from working with a technology partner that has smart forecasting tools that enable you to gauge the feasibility of your campaign configuration — before you commit ad spend. Today's technology can allow you to test if your targeting criteria and bid price are too strict to fulfill your reach requirements, as well as estimate how much inventory would be available if you adjusted your criteria.

Optimize in Real Time

Benefit from the real-time optimization tools available on programmatic platforms to optimize your media buys across paid search, social, display, video, and mobile inventory sources. There was a time when the most you could do was send money to an ad network, cross your fingers, and hope for the best. There were no campaign results to be had until the end

of the flight. Now, you can launch multi-channel campaigns using a single platform, make changes on the fly to direct your spend toward better performing channels, and adapt your strategy and creative to optimize your decisions while your campaign is still in progress. The smart marketer's job isn't over when the campaign starts — it's only just begun.



BRAND MEASUREMENT



Use Your Data-Driven Hindsight

Even marketers who know nothing else about analytics will tell you that **looking back at a campaign through a data-driven lens should always inform the next thing you do.** There are several ways in which you can evaluate results to help inform future strategies:

- **Last-touch attribution:** Credits a conversion to the last media impression that a user sees. This is typically the broadest analysis possible.
- **Multi-channel attribution:** Tracks and evaluates the conversions across media channels. Instead of evaluating campaign performance at the highest level, multi-channel attribution gains perspective of individual channel performance.
- **ROI breakdown:** Don't be afraid to drill into your results. Use analytics tools to look closely at the ROI of your campaign as a whole, as well as within each of your audience segments. You may be surprised by what you find.
- **Funnel contribution:** It's important to understand the role your branding efforts play in both your upper- and lower-funnel tactics. Attribution analytics can offer visibility into how your brand message vehicles and your media mix contribute to your overall marketing objectives.
- **Multi-touch attribution:** Designed uniquely to your business for tracking actions and conversions across all media spend. Fractional and proportional credit is given to all of the impressions encountered by the user before an action is taken. Multi-touch attribution will help you understand how each variable of your marketing plan contributed to your results.

With the right data behind your marketing, the opportunities for enhancing your audience understanding and insight are virtually limitless. Each campaign will guide future efforts and add substance to your story — and ultimately transform your marketing into a data-driven business powerhouse.



Companies that invested in analytics saw a 49% increase in revenue and 30% higher ROI than companies that did not.²

²IBM, Big Data Success Stories

BECOME A DATA-DRIVEN MARKETER



Centralize Your Data

If you want real consumer insight, you need to start by bringing your disparate sources of data together. Connect the dots: Map your data to where it's being stored to see just how centralized your data really is.

- 1 **List** the sources of data that inform your marketing strategies.
- 2 **Identify** where these data assets are being stored.
- 3 **Draw a line** connecting the data to where it is stored to reveal opportunities to better consolidate your assets.

Sources:

Example:

Customer/Subscription Data

CRM Data

Website Data

Experian (3rd party) Data

Set Top Box Data

Stored Location:

System A

System B

System C

Data Management Platform

Media Execution Platform

If you are not consolidating your data (1st and 3rd party) in one location, your data strategy could be more efficient.



Understand Your Customers

What information are you using to define your audience segments?

How old is your audience definition? Is the definition based on a small sample of users or representative of your collective customer base?

How dynamic is your audience definition? Are you tweaking and altering your audience segments on a regular basis to better reflect current marketplace realities?

In a market where customer behavior is rapidly changing, it's important to refresh your audience definitions. By staying on top of who your customers are, you can continue to personalize your marketing and develop meaningful connections with your users.



Evaluate Your Points of Engagement

Where are you investing your marketing dollars? Identify your top four areas:

- 1

- 2

- 3

- 4

Does your spending reflect the actual behavior of your consumers?

Are there points of engagement where you're underspending?

1 _____

2 _____

3 _____

4 _____

Overspending?

1 _____

2 _____

3 _____

4 _____

Reflect on your answers to find opportunities for improvement and efficiency.



Build Dynamic Stories

Now that you've defined your segments, it's time to figure out how to communicate as effectively as possible with each one. Are you testing your creative to see what resonates best with your audience segments?

What have you learned?

How will you apply this insight to inform your future marketing strategies?

Information is great to have, but unless you act on it, it's not doing you or your business any good. You've come all this way — don't lose steam now.



Inspire Future Marketing

What have you learned about your customers? As a data-driven marketer, you now have a wealth of customer information in your hands, and it's up to you to put it to good use.

So what's your plan? How will you take results from your campaigns and apply them back to your business decisions?

How will your plan impact other areas of the business? Tailor and present your new approach, supported by data-driven marketing, to get buy-in from your business partners. Collaborate cross-functionally to put your plan into action.

Group Name:

Action Items: