Four Data-Driven Marketing Must Haves

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Introduction

As a modern marketer, you have plenty of tools available to help you recognize and reach millions of consumers and businesses across multiple devices, media, and channels. The challenge is no longer figuring out how to reach your audience, but in determining where to focus your efforts to get the most bang for your buck.

In fact, as advertising continues to evolve, it's become increasingly difficult to break through the clutter and truly engage with your prospects and loyal customers.

There are four marketing must-haves that as a marketer, you'll need to be successful:

1. Data
2. Analysis
3. Segmentation
4. Insight to Predict Future Behavior

Must-Have 1: Data

It sounds oversimplified, but you can't rely on in-house data sources alone to paint an accurate picture of who your customers and prospects are. Enhancing your in-house data with third-party data can improve your integrated marketing campaign results by providing rich details that reveal who those customers and prospects really are.

Although you own your first party data, it may not always be easily accessible if you're using disparate point-of-sale software, contact management systems, and email service providers. Make sure all of the systems you use integrate together and can be appended with third-party data to drive your marketing efforts.

Your first party data may be highly accurate, but it can be limited when it comes to providing details on the customer's preferences and demographic details. Appending existing data with third-party data will give you a more well-rounded picture of what your customers look like demographically, as well as their unique qualities.

Third-Party Data Defined

Third-party data, as the name implies, is data that a marketer acquires from a multitude of outside sources. Normally used to help create consumer segments for targeting ads and marketing messages, third-party data often refers to information gathered from internet interactions.

Data-management firms aggregate information from sites across the web that show interests in particular topics based on behavior, and that third-party data is used to categorize people into groups such as travelers or sports enthusiasts. But third-party data isn't just digital. It can represent real-world interactions such as purchase transactions or mobile phone locations.

For example, do your customers own a home? Are they registered to vote and, if so, for which party? Do they have children living at home? What are their children's age groups? What are your customer's hobbies and interests? And more importantly, do any of these demographic and lifestyle/psychographic factors affect their ability to purchase your products and services?

You'll gain much deeper insights into your customers and prospects when you have a full picture of who those individuals are, where they live, and what affects their buying decisions.

90%

A national casual-dining chain wanted to increase customer retention by better understanding their most engaged guests. By surveying these brand devotees, the chain received 90% email open rates and discovered customers willing to dialogue with the brand, even without a coupon or offer.
Read more.

Must-Have 2: Analysis

Determining what is significant about your data can be another challenge that modern marketers need to tackle in order to make appropriate marketing decisions.
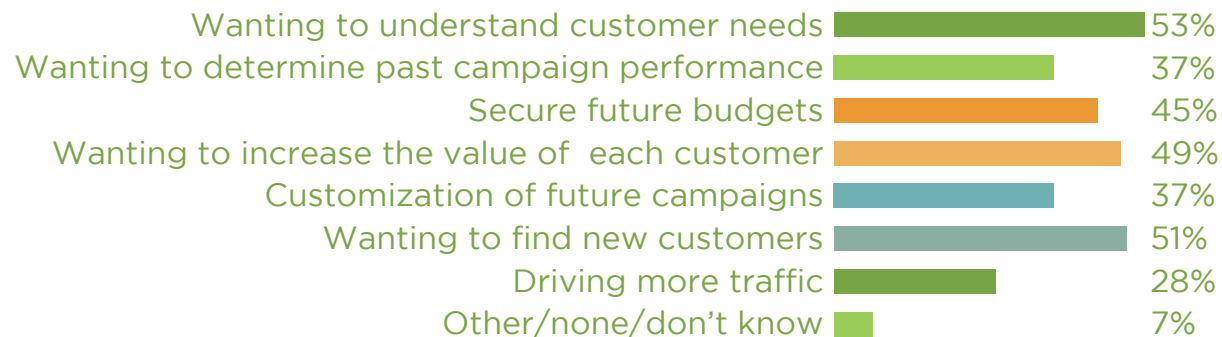
For example, what demographic or lifestyle attributes do your current customers have in common? You'll need a comprehensive profile of your best customers to understand what makes them different from the rest of the available prospect universe.

Are age, ethnicity, or geography determining factors for buying behavior? Does having young children living at home affect how much money the customer spends with your company? Are more of your customers homeowners or renters? There are literally thousands of demographic, lifestyle, and psychographic attributes that can be taken into account when doing customer analysis.

Big data doesn't have to be scary or hard to analyze, in fact, it can paint an accurate picture of why customers are buying from your competitors instead of from you. Analyzing and integrating your customer data with third-party data will help you make decisions on price points, marketing channels, promotions, and messaging to maximize the return on investment you're making in marketing.

The true future of marketing is using custom content. According to 78% of Chief Marketing Officers surveyed by **Demand Metric**, custom content used to create personal communications for customers and prospects is key. High quality, relevant, and valuable information makes consumers more likely to take action, the survey showed. Data analysis helps to get you there.

Drivers for Turning Data Into Insights

Driver	Percentage
Wanting to understand customer needs	53%
Wanting to determine past campaign performance	37%
Secure future budgets	45%
Wanting to increase the value of each customer	49%
Customization of future campaigns	37%
Wanting to find new customers	51%
Driving more traffic	28%
Other/none/don't know	7%

Experian Data Quality's Data Quality Benchmark Report

Must-Have 3: Segmentation

Once you've analyzed the data to identify the unique attributes of your customers, you'll be able to determine the best messaging and channels to use.

Today's leading marketing buzzword is individualization — going beyond segmentation to speak to your customer using a resonating message via their channel of preference. This can be accomplished once you've done your homework and understand what is unique about your customer, their buying habits, and response rates.

By speaking to your customer about what matters to them, via their channel of choice, you can boost your marketing campaign's effectiveness exponentially.

As an example, a well-known lawn fertilizer retailer sends their customers marketing messages according to season, geographic location, and even current weather conditions. Depending on responses and buying patterns, customers are sent follow-up messages with companion products and additional seasonal specials.

60%

of marketers that answered a recent survey said that personalizing the customer experience was the most important objective in their data-driven strategy. Fifty percent said targeting individual market segments was the most important.

59%

of professionals said improving data quality was the most challenging obstacle to data-driven marketing.

74%

of U.S. companies do not have a sophisticated approach to data quality and could improve upon their strategy.

It's important for brands to understand what consumers need and want in order for them to become repeat customers. Do your customers feel exclusive enough to build brand loyalty?

A recent study by Chief Marketer magazine found that each sector is very different when it comes to how they respond to rewards. In credit cards, for example, cardholders want offers they can respond to quickly. In retail, on the other hand, consumers value being recognized by the brand for what they purchase.

Understanding your customer's buying habits, along with the demographics that drive those purchases, will help you offer satisfying personalized promotions that satisfy their lifestyle and purchasing needs.

Must-Have 4: Insight to Predict Future Behavior

By understanding and analyzing buyers vs. non-buyers or responders vs. non-responders, you can target the most responsive prospects for your message and predict your results based on a number of demographic attributes. This is a powerful tool in the hands of the right marketer.

Predictive analytics can go far beyond just profiling your customers. They can actually show how two or more groups are similar and dissimilar. This type of analysis can help predict responses to marketing campaigns as well as target a new prospecting universe. By identifying buyer personas and the types of buyers you want to target, you can actually choose appropriate channels and predict responses to your personalized messages.

5 Things Predictive Analytics Can Do for You

1   Instantly predict market trends and customer needs
2   Create customized offers for each segment and channel
3   Predict how market-price volatility will impact your production plans
4   Forsee changes in demand and supply across your entire supply chain
5   Proactively manage your workforce by attracting and retaining talent

SAP, Transform Your Future with Predictive Insight

In Conclusion

Data-driven marketing decisions need not be made in the dark. Used effectively, data can enhance your marketing initiatives by helping you achieve better results through building brand loyalty and gaining new customers. By applying the 4 data-driven marketing must-haves, you can maximize your marketing effectiveness.

For nearly 25 years, AccuData has remained dedicated to addressing our partners' challenges through innovation and service.

We are a leading data solutions provider, helping our clients succeed with marketing solutions including data sourcing, modeling analytics, database marketing, and digital solutions.

We drive marketing success for thousands of businesses through our strategic data partnerships, powerful technologies, and by offering scalable data solutions to meet the needs of both small to mid-size businesses and large national brands.

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