

WHY YOU CANNOT HAVE AN EFFECTIVE MARKETING STRATEGY, WITHOUT A DATA STRATEGY

Executive summary

Data is now undoubtedly one of the most important elements of the marketing strategy for any business. Regardless of the business size and its specific objectives, prioritising the inclusion of a data strategy within marketing and other departments is essential – in fact insight into your data should actually be informing and determining those objectives.

Data is receiving the focus it deserves – now more than ever. This paper will consider how data needs to be treated as a business-wide asset, to be managed and invested in like any other key asset. Because data informs and supports marketing campaigns, a business should have a data strategy as standard practice; it should also be an integral part of the marketing department's overall strategy.

Marketing departments need to consider the effect of data both pre- and post-campaign, as well as managing the data strategy in its own right, including issues such as data protection, security, collection, permissions, suppressions and more.

**DATA IS
GETTING THE
FOCUS IT
DESERVES -
NOW MORE
THAN EVER**



Why you need a data strategy

WHY A DATA STRATEGY IS MORE IMPORTANT NOW THAN EVER

It's been a much-debated topic over the last few years, but 'Big Data' isn't just a buzzword – although data doesn't always have to be big to be smart. Modern techniques allow you to convert both vast and lesser quantities of data on your customers into genuine insight. It is a reality that businesses really need to embrace, as customers choose to increasingly engage with them online, and through an ever-growing range of media.

The combination of online, transactional data as well as other more established data capture medium, means that businesses have an opportunity to build a more dynamic, relevant and accurate view of their customer and prospect base to enhance customer relationships.

With so many available data sources, your stored information can become a messy, disjointed web, when it should be a source of great insight. In fact, if not properly combined and managed, it can actually undermine and confuse any marketing strategy. Without control of the knowledge that businesses have at their fingertips, they will stagnate, and as a consequence the relationships that matter most to their brand can be damaged.

The majority of marketers now accept that data is a vital part of their day-to-day lives; a recent Global DMA study* revealed that 80% of respondents state that data is important to their advertising and marketing efforts, while 92% believe it will play an important role in the future.

Most importantly, data insight enables marketers to make evidence-based decisions as standard and readily access information that is both manageable and

useful. Data has the power to inform your marketing strategy on an ongoing basis and allows you to approach your marketing ideas in a new way – having confidence in what you are trying to achieve – because you know that you have taken those decisions based on factual information.

We have the opportunity to take the initiative and build fresh, cutting edge marketing strategies through the creative, smart and insightful use of data. The more you embrace the knowledge and data that pours into your business, the more your insight and understanding will develop. With the right tools and support in place, you can drive a more effective, data-driven marketing strategy. Each customer or prospect interaction leaves its mark, particularly if you view that information in a way that you can readily report on for growing customer knowledge.

**DATA HAS THE
POWER TO
INFORM YOUR
MARKETING
STRATEGY ON AN
ONGOING BASIS**

BUSINESS CASE – WHAT WILL IT DO FOR MY BUSINESS?

It is a simple question to which directors and others will want to know the answer, from anyone proposing the implementation or improvement of a data strategy: What benefits will it bring to my business?

The need for a data strategy can be too easily dismissed. The following reasons make a great starting point to build an effective and persuasive business case for it:

- Ensures that an entire business has a set of data management guidelines to follow.
- Reinforces that the data is not and should not be the sole responsibility of the data or marketing department – it needs to matter to and be nourished by everyone.
- Business-wide focus ensures there is a standardised way of collecting and collating data to improve overall data quality.
- Data is an extremely valuable asset and should be treated accordingly. By having a data strategy you are able to show the positive results and therefore the Value of data to your business.
- Data quality and the proper treatment of data, means that a business is going to be well-placed to maintain a proper data protection policy. Practicing proper data protection procedures is increasingly vital and very much on the radar of consumers.
- Avoids possible legal issues or fines, damaging your brand and further exposing your business to competitors.
- You may currently spend £5000 to generate £7000; with a data strategy you may be able to spend (say) just £3000 to generate that £7000.

We have worked with companies who have seen an 800% uplift in their ROI as a direct result of the implementation of an integrated data strategy

**AN 800%
UPLIFT IN ROI
SEEN FROM
IMPLEMENTATION
OF DATA
STRATEGY**

DATA MANAGEMENT WITHIN THE LAW

All businesses need to be conscious of the fact that the data obtained remains the property of their customers and prospects, and that by sharing their details, those individuals are placing their trust in the business holding their data.

The Information Commissioners Office (ICO) view Big Data as a current hot topic with developing boundaries. Recent insights from the ICO include:

- Marketers need to be more astute than ever regarding how they manage and uphold their data protection procedures.
- The ICO recognises that marketers are processing huge amounts of personal data such as spending habits, social media and loyalty card data, to name just a few.
- They have clearly outlined, where personal data is being used, that organisations must ensure they are complying with their obligations under the Data Protection Act (DPA). Organisations need to be transparent when they collect data.
- The DPA is backed up by government and their 'data protection principles' as well as data guidelines and regulations coming from the EU.

It's not just data - it is an image of your customers

Bringing together data from multiple systems and channels can be challenging, but the insight and improvements in communication this allows will far outweigh any initial effort.

It is often the case that companies have multiple data sources held in separate silos. This data could relate to different parts of the business or just be from multiple data sources that have never been linked; for example:

- Website data – online accounts / browsing history
- Transactional data – online and in-store
- Communications history
- Acquisition data and mailing lists
- Response data – email opens / clicks, voucher redemptions
- Surveys, questionnaires and preference data.

Being able to combine data on less 'accessible' factors can provide you with a particularly critical insight that you otherwise simply would not have. For example, you may already pull information on a customer's online order history, but without being able to associate that with their in-store transactions you are unable to gain a true and complete view of that customer and their behaviours.

By linking all of your data sources you can create a Single Customer View, which will allow you to truly understand your customers' behaviour, track their individual campaign responses and product preferences and their value to your business – both short and long-term. This greatly enhanced customer understanding at an individual level will help you communicate more effectively to drive engagement, retention and cross-selling activities.

The term 'Single Customer View' (SCV) may well be viewed as another buzzword (much like Big Data) that can be overused. Some people maintain that you can never hope to achieve a fully all-encompassing view of your customers. It is true that no matter what data you have, you cannot hope to know each of your customers as well as you would know a close friend. However, if you collect as much data as possible and manage it properly, you will undoubtedly see meaningful insight and a strong result.

**BY LINKING ALL
OF YOUR DATA
SOURCES YOU
CAN CREATE
A SINGLE
CUSTOMER VIEW**



In addition to enabling improved and enhanced communication, there is real value to be found in the insight made available by condensing your data sources into one view. Reporting on the various facets of your data will become much easier and inform deeper understanding. Business decisions can then be made around best performing sectors, geographic areas to target, typical customer pen portraits and much more.

This improved insight, and the ongoing monitoring and reporting capabilities an SCV enables, will also help you to better target new prospects for acquisition. Targeting those individuals who fit a similar profile to your existing customer base will improve response rates to your campaigns, and therefore drive lead generation and new customers into your business.

An SCV can drive improved marketing ROI through:

- Improved engagement with existing customers, by communicating with them about products and subjects they are most likely to be interested in and therefore invest in.
- Effective prospect identification and targeting, leading to better conversions and more new customers.
- Improving the relevance and timeliness of your campaigns and communications by creating target groups and segments based on deeper insights.
- Informing wider business and product development decisions based on the knowledge and insight provided on your customers, products, segments, communication channels and more.

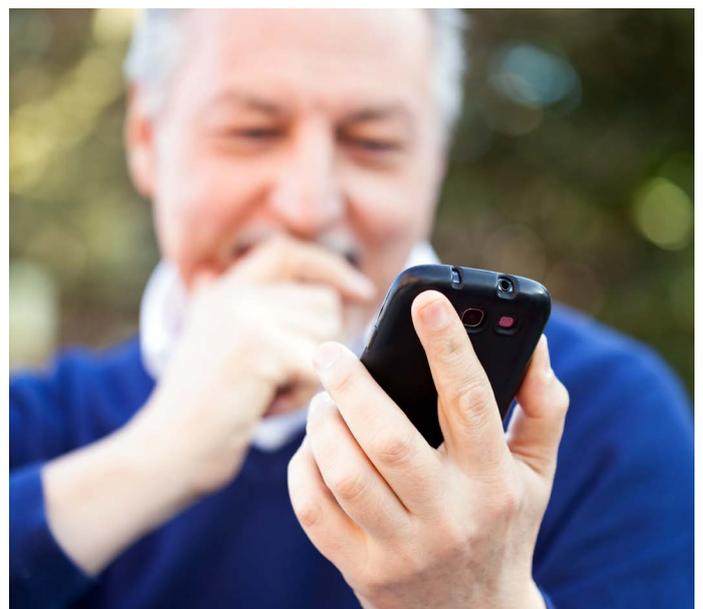
As well as driving return, all those areas help to improve and maintain customer loyalty and the way your brand is perceived by customers, prospects, competitors and a wider audience.

Data can be overwhelming, which can mean you may not get the best out of your highly valuable business asset. Consolidating your data into a Single Customer View will make it much more manageable and therefore more reliable for you and teams within your business

to utilise. Any decisions will be informed by facts rather than general feelings, which can of course differ between individuals or departments – so helping resolve any internal debate, because the information is now evidence-based.

With the improved understanding the SCV offers to everyone, other departments buy-in to the importance and value of data, which will often mean that the quality of the raw data can also be improved. This is vital. Keeping data up to date needs ongoing commitment, because data can decay by up to 40% per annum.

**CONSOLIDATING
YOUR DATA INTO A
SINGLE CUSTOMER
VIEW WILL MAKE
IT MUCH MORE
MANAGEABLE**



NURTURE AND DEVELOP A CUSTOMER LIFECYCLE

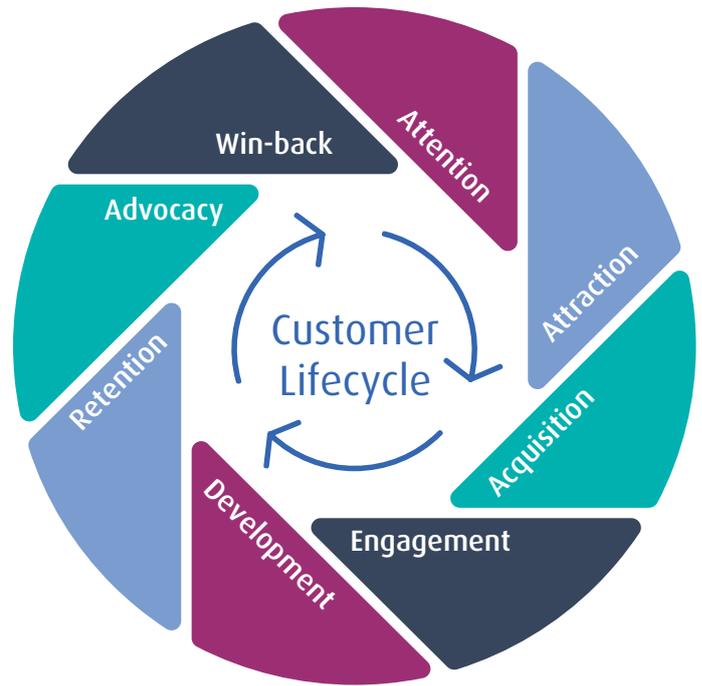
Data is often viewed by the less informed as more of an abstract concept and for that reason those same people sometimes struggle to see the value it offers a business.

It is important to understand that it is not just data – it is a vital insight into our customers and prospects, their characteristics, buying patterns, likes, dislikes and much more.

A Data Strategy can help your business become more customer-centric. Having an effective and widely adopted data strategy can vastly improve your customer experience. You can ensure your customers receive the right communications and offers, when it is most appropriate for them, without bombarding them with too much information and perhaps thereby risking losing them altogether.

Data is needed to inform and understand many of the key stages of the customer lifecycle. With effective use of that data we can understand where an individual is in our customer lifecycle, and therefore what messages we need to communicate to them at various points in their relationship with us.

These stages show clearly that our relationship with our customers requires constant nurturing and marketing engagement to keep them purchasing and engaging with us on an ongoing basis.



**DATA IS NEEDED
TO UNDERSTAND
MANY OF THE
KEY STAGES OF
THE CUSTOMER
LIFECYCLE**

THE RELATIONSHIP WITH YOUR CLIENT EXTENDS BEYOND THE 'SEND' BUTTON

- Creating and maintaining prosperous relationships post-campaign is a direct result of having a sound, full life cycle data strategy.
- Ensuring that a data strategy is maintained throughout the whole customer journey means that cross- and up-sell opportunities are more achievable.
- You can make use of communication and campaign history to understand new records and the ones you already hold.
- Build loyalty and create brand advocates.
- Manage all of the information you now have access to, to ensure effective communications.

**DATA IS A
SOURCE OF
KNOWLEDGE
AND
STRENGTH**

Marketing and Data - together forever



Summary and conclusion

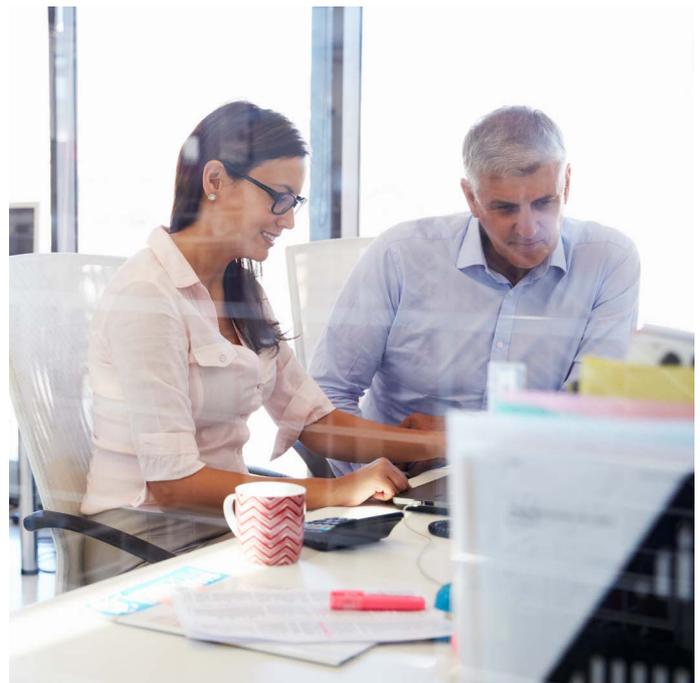
Hopefully, it is now clear why your marketing strategy needs a data strategy as a crucial part of its creation and implementation. This understanding seems to be well established now with 77.4% of respondents to the DMA study*, who say they are confident in data-driven marketing and advertising and its continued growth.

A business will of course need to commit to effectively using the rich and managed data to ensure they see measurable benefits. Having a coherent Single Customer View will help ensure that a business reaps the rewards from the hard work it dedicates to the data input, management, strategy and implementation.

- Create a Single Customer / 360-degree View of your customers and business.
- Create and maintain customer engagement and loyalty.
- Understand your customers and prospects.
- Identify and win new prospects.
- Create targeted and coherent campaigns.
- Continue a data strategy approach after pressing the campaign 'send' button.

Big data is no longer a big problem and a data strategy, using the right tools, is a must for all businesses. If you fail to use data to your advantage, be aware that your competitors certainly will. Data is a source of knowledge and strength – a data strategy attributes the importance to data that it deserves.

**BIG DATA
IS NO
LONGER
A BIG
PROBLEM**



* Statistics from The Global Review of Data -Driven Marketing and Advertising carried out by the Global DMA - <http://globaldma.com/survey>.