

What should you collect?

Data collection roughly falls into two categories: contact data and transaction data. Contact data serves a dual purpose in that it is both the method of contact and the starting point for aggregating transaction data. Most companies already gather content data and at least plan to collect transaction data. The trick is that both types of data need to be aggregated and stored in such a way that they can be analyzed efficiently. This calls for more comprehensive and rigorous data gathering and storing processes.

Even when contact and transaction data are being collected and stored properly, the question remains whether it is being done in a timely manner. Like so many other products, data has a 'shelf-life.' Lifespans vary from industry to industry and when creating your data strategy you should consider how long the data you collect will be applicable in your case. In online retail you may have mere seconds, whereas in the Financial Services sector you may have weeks. Also consider that the same principle applies to the way you distribute your data internally. The faster you do this, the faster the bright people can make (hopefully the right) decisions that can affect your performance.

Using data to achieve greater performance

Analytics-Reporting

The two most critical factors when setting up a reporting process are timeliness and quality of data. Meeting these criteria can help you gain valuable feedback from your data and can point out possible improvement areas in your business or help you find opportunities to grow. To maximize your reporting effectiveness, be sure to have a specific goal for each report you produce. For instance, had the car dealership from the introduction had proper data reporting processes in place, they might have spotted the opportunity to upsell me on a used or new car deal. Subsequent analysis of the success rate of such offers would allow the dealer to learn what demographics are most likely to say "yes." This approach ensures that you create a learning organization that improves over time.

Take the following steps to help you get started:

1. Target your reports to the audience, for instance executives, marketing managers, or analysts.
2. Instate metrics that measure what you want to measure. For instance, acquisition or attrition.
3. Make your data visual through graphs and tables, but keep it simple and easy to understand.
4. Always keep in mind the desired end goal or target and create visual comparisons to see how far you are off.

Distribution: how to get your reports in the right hands at the right time?

More often than not, we see a reports being put into PowerPoint or pdf files. If you have to convert and send around such reports by email, they may be outdated by the time the report reaches the decision maker. The following guidelines will help you set up your reporting and distribution processes.

1. Centralize your reporting and provide access to the data in real time.
2. Adopt access levels to each individual user or user group.
3. Set up alerts that notify stakeholders when metrics meet certain criteria.

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Segmentation and Predictive Modeling

To make the most of your data, start segmenting your marketing messaging and build predictive models to determine what you communicate, how, and when. The combination of segmentation and predictive modeling yields the highest returns. Going back to the car dealer example, you may for instance have “new customers,” “service customers,” and “nearing end of lease or finance agreement customers.” Or, if you are an airline, some customers will be vacationers, some will be frequent flyers, and others will be bargain hunters. It is vital that you address these customers differently to maximize return on

marketing dollars spent. Segmentation and predictive modeling are powerful marketing tools that help you do just that. And they are easier to implement than you might expect.

Key takeaways: the first steps towards data driven marketing

Achieving higher performance and more bang for your marketing buck requires changes in the way you collect, process, and distribute data. This white paper has reflected on crucial steps to take to move towards data driven marketing. The following takeaways summarize our recommendations.

1. Explore available data

Analyze what data sets are available to you and consider where it is meaningful to consolidate your data. Assess the quality of existing data, as well as the opportunity to collect more.

2. Divide your customers into segments

Your segments should be statistically derived and consider such factors as geography, transaction frequency, the type of product or service delivered, and spending. In your campaigns, you then vary messaging (what), timing (when), and distribution channels (how). Subsequently, you correlate these factors with those customers who have the highest purchasing power in each segment.

3. Setup marketing data reporting and distribution processes

As a marketer, you need to make decisions quickly. So you'll need to have easy access to accurate and timely data. Creating a dedicated database can help you achieve this goal. You'll gain efficiency and make marketing a more effective tool to show concrete results. In order to have real-time access to your data and visualize it in a useful way, there is a plethora of systems available in the marketplace. Depending on your individual situation, you may opt for Software as a Service (SaaS), or for a more traditional licensed software solution.

Next Steps

- 1. Set up your data gathering and analytics processes**
- 2. Build your next lead generation campaign**

About Kompani Group

Our experience and expertise have been acquired from helping to grow companies across multiple industries. We empower our clients with effective solutions, know-how, improved processes, training and tools that spur growth. Data-driven marketing is an integral part of our process to help business owners and managers make informed marketing and sales decisions more quickly and effectively and to generate measurable results. Place yourself 'in good Kompani' and success follows.