The 2013 Big Data planning guide for marketers

A simple and practical approach to harness your growing data to improve marketing effectiveness
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Executive summary

Disruption creates opportunity — in this case, for data-driven marketers. In today’s ubiquitously digital world, the hyperconnected customer has created a paradigm shift, presenting brands with more quantifiable data (Big Data) to guide their marketing activities. This explosion of data also catapults the demands on marketers’ capabilities to a whole new stratosphere. Organizations that can learn to harness all the data they’ve captured, cleansed and consolidated from their customer touch-points across all channels are positioned to drive more customer engagement, build loyalty and ultimately ensure a sustainable competitive advantage.

Data growth is poised to make a profound impact

From mass media planning to one-to-one marketing (and everywhere in between), data has long been used to help marketers make more intelligent decisions. What is changing so dramatically today, and creating massive disruption, is the rapidly growing quantity of data, particularly across digital channels. While the scale and unstructured nature (e.g., Tweets, posts, reviews) of new data sources can be daunting, this “Big Data” is opening up new avenues of opportunity for marketers to tackle some of their toughest challenges.

While 65 percent [of marketers] analyze their online visitor data, only one-third are targeting one-to-one offers or messages through digital channels, and less than one in five are using this data for other traditional channels.

Source: IBM State of Marketing 2012 global survey of 350 chief marketing officers, July 2012
Reaching newly empowered customers with relevant messaging

Today's customers are constantly bombarded by marketing messages and are continuing to tune out those that are not meaningful and relevant to their everyday lives at an alarming rate. Lifting response, therefore, cannot be achieved solely by increasing frequency. Lift can be generated only by engaging customers with more coordinated and intelligent interactions.

Delivering consistent cross-channel communications

Many marketers are reducing waste and optimizing targeting at the individual level in display media, email, direct mail, mobile messaging and even TV (via addressable set-top boxes). What has remained elusive, however, is the ability to deliver consistent and coordinated communications across all channels and to understand their combined impact on the customer journey. By uniting customer data captured across all contact channels, marketers can better control the sequence, cadence and relevance of their communications based on a true, panoramic view of their customers.

 Elevating the “customer as an asset” to the C-suite

Marketers have long argued that the most valuable asset any organization has is its customer base. However, most C-suite executives are unable to define the value of their customers or understand the true return on investment (ROI) of their cross-channel marketing initiatives. The growth of data addresses this shortcoming by providing the linkage needed to tell a complete story, from the customer relationship to the connection between planned spend and revenue creation. In short, Big Data enables organizations to plan and invest around the customer.

Omnichannel retailing is seamlessly integrating the customer experience across all channels of interaction including stores, websites, direct mail and catalogs, mobile platforms, social networks, home shopping and gaming.

Big Data will enable a customer-centric marketing process
Customers already are demanding that brands treat them as individuals. As response rates continue to fall across channels, forward-leaning marketers will corral and harness all possible data to optimize their mix of channels, content and campaigns around the customer. Data-driven marketers no longer will be limited to traditional direct silos, but will be dependent on a blend of data across the entire marketing process to develop a more realistic view of customer relationships and purchase cycles. The following diagram shows how data will be at the core of every step of a customer-centric marketing process.

Example: Data-driven marketing process wheel

A data-driven marketing process should consist of the following phases:
- **Capture**: With ubiquitous digital interaction, virtually every engagement between customer and brand can be tracked. Exposing this complete behavioral trail illuminates former blind spots along the path to purchase, which may look more like a flight plan than a step-by-step funnel. Marketers will ensure that all campaigns, content and collateral are designed so that interaction always can be traced back to the customer.
• **Linkage:** Linkage references the creation of integrated customer profiles. The growth of data poses a conundrum; it enables combinations never before possible, but it also makes the process of bringing it together much more complex, or at least laborious and taxing to antiquated technology stacks. To create a true 360-degree view, data-driven marketers will learn to link the streams of data from all sources, such as Customer Relationship Management systems, customer databases, point-of-sale systems, call centers, customer response, social media networks and other online data aggregators.

• **Analysis:** Big Data creates a boundless landscape for exploration and discovery. Capitalizing on this will transform data-driven marketers from being Recency, Frequency, Monetary (RFM) style practitioners to full-blown data scientists. The work in their laboratories will produce new insights, illuminating the interplay of content, channel, campaign and customer interaction with purchase decisions and timing.

• **Planning:** Crafting narratives with customers, unlike cascaded blast campaigns, requires the ability to create narrow audiences anchored on points of common interests and behaviors. The growth of data enriches the customer view, covering everything from search terms, Facebook likes and pages clicked to coupons redeemed and items purchased and any other customer interaction that can be tracked and stored. Marketers will tap into these micro-attributes to create highly targeted audiences and segments so they can converse with greater relevance.

• **Execution:** Big Data is going to upset the media apple cart. Traditional approaches depend on audience estimation for channel and property selection in the hopes of hitting a target. Big Data optimizes marketing spend, as specific customers can be targeted and engaged regardless of where they are seen across numerous channels. As addressable inventory becomes more accessible, marketing budgets will follow.

• **Measurement:** The adage “If you can’t measure it, you can’t manage it” has been aptly applied to marketing for years. The correlation between impression or touch and purchase is not always clear. The growth of data helps address this by putting more pins on the map that facilitate connecting specific campaigns and identifiable touches to an individual customer. Data-driven marketers will use these pins to create a measurement framework that helps marketers build a connection between spend and revenue creation.
Overcoming barriers to assimilating data

Because of the high degree of integration required, many marketers have not been able to adapt their game to seize the Big Data advantage to achieve true cross-channel marketing success. In fact, a recent Experian Marketing Services study showed that siloed marketing teams execute fewer integrated campaigns.

Before taking on integration marketers must address the following obstacles:

• **Technological deficiencies:** Marketers largely speak technology with a stutter. Very few speak it fluently. Triangulating all possible data sources will involve weaving together and seamlessly connecting a series of unrelated technologies. Accomplishing this requires more than a basic understanding of technology.

• **Aversion to risk:** Once something has proven successful, there is a tendency to stick with it. This can be seen with repetitive behaviors like “anniversary-ing” where the same campaigns are run year after year over the same weeks. Marketers struggle to justify the reallocation of budget from proven programs — even those in decline — to ones that would leverage the value of integrated Big Data.

• **Balkanized zones of control:** Unfortunately, most marketing departments are still organized by channel, with designated owners who have little to no concern about the broader customer journey — especially when they are not being rewarded for it. This channel myopia hinders the marketer’s ability to recognize customers across channels, often resulting in poor messaging and ad content that can damage the customer experience. For example, an email marketer may recognize that declining click rates and growing opt-outs are signals of channel list fatigue, but will continue to increase frequency in an effort to achieve personal channel goals, even at the detriment of the greater overall customer experience. Moreover, siloed marketers may struggle to accurately identify customers and appropriately communicate with them based on their
relationship with the brand. For example, a mobile marketer may inappropriately treat a new mobile SMS subscriber as an entirely new customer, without recognizing any previous relationship the customer may have had with the brand in other channels.

Twenty percent of marketers in the Experian Marketing Services study said their teams are broken out by channel. Of them, half said 0 percent to 20 percent of their campaigns were run across multiple channels with an integrated message, creative and offer.


Marketers who can best apply Big Data will win
As the lines between physical and digital markets continue to blur, pressure is heightened for new approaches; data growth will be the catalyst for shifting marketing paradigms. Success in marketing will not be dictated by buying the most media to drive frequency, but rather by using Big Data to craft highly relevant, meaningful interactions across all marketing channels.

McKinsey estimates that retailers could improve operating margins by 60% by better leveraging their customer data.


Winning marketers will embrace a future in which data growth will:

• **Deepen marketing dependency on technology:** Marketing and technology have always been intimately linked, but the growth of data drives the relationship to the next level. To date, technology has enhanced marketing efforts, but with Big Data, technology is a prerequisite. Without technology-aided guidance, marketers will not be able to facilitate integrated, relevant customer interactions.

• **Mandate migration to new or retooled platforms:** The scale and unstructured nature of newly emerging, real-time data sources will require migration to more modern, cross-channel marketing platforms. Traditional database management systems simply cannot scale to meet the reality of Big Data.

• **Drive new skill sets into the marketing organization:** Bona fide data scientists will explore the causation and correlation of emergent data sets in a whole new way and gradually replace the traditional analysts performing RFM-style analytics.
• **Alter the way media is purchased**: The emergence of [addressable display](#), [TV](#) and radio enables a new approach to media buying. As the real-time-bidding ad exchanges, powered by data-rich management platforms, continue to become more mainstream, database management techniques and [consumer insights](#) will redefine the way mass media is bought.

• **Usher in heightened personally identifiable information stewardship**: As organizations develop a more robust, tangible understanding of customer data, they will assign more value to their repositories. Customer data will become the crown jewels they seek to protect.

**Make applying new streams of data a strategic priority**
Marketers seeking to champion data in their initiatives must not only establish a strategic playbook, but also roll up their sleeves and deliver near-term tactical wins. If you are considering taking on this challenge, make sure your early plans address the following elements:

**Finding the data gaps**
Anytime a campaign is sent out the door without instrumentation, an opportunity to capture data is lost. Capture tools and techniques, such as Web analytics, social listening or intelligence, link shorteners, QR codes, personalized URLs and key codes, are just a few examples of how to harvest this data. Audit all your campaigning channels, and develop a master catalog of all potential points of capture. Then identify opportunities to fill the gaps with the right tools, techniques and reporting.

**Evaluating the robustness of integrated profiles**
In any direct-to-customer environment, interactions occur across a multitude of channels. To understand what is happening from a customer perspective, these discrete interactions need to be linked and connected to a [common profile](#). Identify sources of data and evaluate completeness of keys (e.g., points of linkage) needed to paint the end-to-end customer experience.
Example: Universal customer profiles

Experimenting with emerging forms of addressable media
Depending on organizational zones of control, either extend an existing direct campaign (direct mail or email) or partner with interactive or social teams. Begin with a general, digital display ad campaign. Dedicate a small portion of the overall media budget to a “test and learn” campaign, and measure performance. Leverage key learnings to optimize future campaigns.

Benchmarking data usage maturity
To elevate your game, increase the level of competition. How good are you at capturing, cleansing, organizing, analyzing, slicing, applying and measuring data?
Conclusion
The practice of using data in marketing to improve targeting, drive relevancy and personalize messages is not new. However, as marketers evolve away from a one-way broadcast model to more customer-centric strategies, the real challenge ahead will be figuring out how to manage all the data captured at every customer touch-point so that it can be easily leveraged to optimize marketing interactions across all channels. If effectively managed through a combination of innovative cross-channel marketing technology and integrated processes, Big Data will be the catalyst toward true cross-channel optimization.

For more information on how you can manage Big Data for cross-channel optimization, please visit our Website at www.experian.com/cross-channel-marketing or call us at 1 866 626 6479.

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About Experian Marketing Services
Experian Marketing Services is a global provider of integrated consumer insights and targeting, data quality and cross-channel marketing. We help organizations from around the world intelligently interact with today’s dynamic, empowered and hyperconnected customers. By coordinating seamless interactions across all marketing channels, marketers are able to plan and execute superior brand experiences that deepen customer loyalty, strengthen brand advocacy and maximize profits.

For more information, please visit http://www.experian.com/marketingservices.