

FORGET THE TRENDS

3 Advanced Marketing Analytics
Projects to Make Your CEO Happy

DATA-DRIVEN MARKETING MEANS TURNING CUSTOMER INSIGHTS INTO CUSTOMER BEHAVIOR FOR SUBSTANTIAL UPLIFT. HERE ARE 3 PROVEN APPROACHES TO DO JUST THAT.

Every year marketers and analysts are flooded with predictions of analytical trends that will evolve the way companies engage customers. Decision makers will derive new, actionable intelligence into customer behavior by unlocking the growth opportunities hiding in Big Data... or machine learning... or real-time analytics. Ultimately the trends simply highlight that marketers continue to be data-driven as they improve their strategies to leverage more data and move faster across channels.

While trend reports can be informative and may influence some to investigate the potential of transforming their own business, they typically lack a pragmatic framework for improving the customer journey for higher acquisition, retention, and purchases. As data-driven marketers ourselves, ones who thrive on execution and tangible business results, we offer forward-thinking game changers the following three projects to raise their analytical game, close the gap with the trendsetters, and most importantly, make their CEO happy.

WEB INFLUENCED SALES

ESTABLISH WEB INFLUENCED SALES TRACKING

It is well known that marketers continue to fall well short of a complete 360 degree view of their customers. What is somewhat surprising is how few have made in-roads to gaining insight to the web influenced customer behavior driving a conservatively estimated \$1.3 trillion in-store purchases this past year alone. Extracting the value hidden within Web Influenced Sales (WIS) data has the potential to impact 3x as much business as total online sales. The technical roadblock is the inability to establish the tracking and reporting at scale needed to better inform data models and marketing optimization logic, the key levers for successful campaigns.

You can fix that!



To establish a link between a customer's online persona with their in-store presence, the easiest starting point is to identify a segment of your customer database to target with an email campaign tied to an event, like Back to School, Halloween, Black Friday, or any time sensitive period relevant to your promotion. The email should be geared to drive traffic to your website which will establish a connection between your site tracking and the email addresses. For those with a rewards or loyalty program already in place, a subset of these emails are already tied to in-store transactions. As the event approaches, in-store purchases can be linked back to historical online activity either through their loyalty program ID or even a digital receipt sent via email.

By systematically using these approaches, **retailers can quickly build to identifying more than two thirds of all their website visitors, and associating all purchases whether in store or online.** With this type of audience in hand, you are ready to deploy the resources to scale the process, including automating the linking of email responses and web behavior for all campaigns moving forward.

Until online sales surpass brick and mortar purchases, marketing initiatives that leverage clearly identified WIS data will easily surpass any gains from ecommerce specific optimization efforts, measured in revenue growth and customer wallet share. For one big box retail client where we enabled identification of WIS, they were able to refocus their marketing mix based on their ability to identify over half their in-store customers as web influenced shoppers. With increasingly easier to use smartphones for online research and shopping, expect the importance of optimizing the customer journey across multiple digital touchpoints to grow – online as well as in-store.

TURBOCHARGED SEGMENTATION

LEVERAGING THE POWER OF CLICKSTREAM DATA

For years marketers have been aware of the potential of easily available clickstream data to improve the accuracy of identifying lifestage or lifestyle segments along with pending purchase decisions those groups may be demonstrating in their online behavior. The well-known



challenges that continue to hold marketers back range from lack of integration with existing customer data, lack of analytical resources or bandwidth, inability to impact real-time decisions, or worse, all of the above.

Move forward by turning up the clickstream boost!

For most, capturing clickstream data is fairly straightforward if not already a common practice. But without a methodical approach to leveraging that data, it may as well be a virtual pet rock. To get started, establish a framework for a proof of concept with a specific problem you want to solve. **One example would be a big box retailer concerned with losing customer interest during the evaluation stage of the customer journey, resulting in being left off the short list of retailers still in consideration.** Draft your plan to identify those online browsers sooner and tailor your messaging accordingly. Next, establish which specific levers you can pull to change the customer behavior that solves the problem. For example, an automotive or hardware retailer might already estimate the skill level of their customers based on their purchases; clickstream data can now bring that information to light sooner, enabling identification of customer segments based on skill level ranging from Inexperienced to DIY Enthusiast to Expert Mechanic/Contractor.

Digital touchpoints that make up the customer journey:



To get the project moving, you'll have to decide how fast you need to go. SQL queries against a database will be slower versus setting up a Hadoop environment using SAS. For those with a lack of analytical or technical resources, finding the right partner who can spin-up the infrastructure for you will be the smart move. Some marketers may feel the urgency to prove something immediately and try to run this in as little as 3 months, but ideally you should plan for a year. Your CEO will be happy you've started and you'll have months of hallway banter about how great the project is moving along!

Once you've established that integrating new clickstream data can and will improve the effectiveness of marketing campaigns, the potential to impact the customer journey and increase purchase rates only accelerates. Future Wow! moments will come in the form of:

- Attribution – Correlate marketing spending with marketing and financial outcomes
- Retention – Predict customers who are likely to leave/cancel and what offers are likely to retain them
- Offer Optimization – Make the right offer to potential customers when it is relevant, convenient and timely
- Customer Lifecycle – Apply data analytics to better understand customer behaviors that occur during a multi-channel, multi-event journey

GET PRESCRIPTIVE

GET MORE OUT OF YOUR PREDICTIVE MODELING

For early adopters of the data-driven mindset, descriptive and predictive analytics are the routine and no longer generate the Wow! responses one yearns for in updates to the executive team.

Time to flex your muscles and get prescriptive with a pilot program to show that marketing can use predictions to pick the next best thing, whether that be a product offer, marketing content, personalized communication, or contact timing.

Your pathway to automating a next-best action begins with identifying the key predictive models that best **leverage key performance indicators as measured by customer spend, click, or redeem**. If possible, assign relevance scores for each combination of Customer and Action using historic purchasing and category models. Next, apply marketing optimization logic and automate the process. While complexity may deter the faint of heart, forward thinking marketers can envision the potential rewards that await for those willing to invest the effort.

Minimize your risk by leveraging the industry leader, SAS Marketing Optimization (MO) for your project evaluation. SAS MO takes the propensities from your predictive models, and then assigns the next best action taking into account a wide range of constraints. For example, you may need to take into account past content the consumer has been exposed to



or are working with a limited budget. Whatever your specific constraints, SAS MO automates the process and can assign the next best option at scale with the capability to run loads of potential outcomes based on a range of variables – including program restrictions, customer behavior, and real time data.

We recently implemented SAS MO for a large retailer and tested it against business as usual targeting. Within three months, we measured a 20% sales gain for the customers targeted with SAS MO recommendations. Even better, knowledge from this initial effort allowed for calibration of both the data models and the marketing optimization rules, setting the stage for even greater gains over the long term.

Optimized recommendations easily beat business as usual:



Marketing optimization done right delivers repeated *Wow!* moments for you and your CEO as you oversee an analytics engine plowing through data to easily determine optimal campaign performance, all without human intervention.

NEXT STEP

Not sure where to start? Know exactly what you want but just don't have the analytical talent or bandwidth to execute? Those aren't trends; that's just reality. It is typical for most organizations

not to have the in-house resources needed to fully recognize the benefits of a finely tuned analytics machine, one that supports continuous optimization.

That's where 89 Degrees can be your catalyst for change. Have a brief discovery call with us and let's see if we can uncover the right project to make your CEO happy.

ABOUT:



Rosie Poultney, *VP of Advanced Marketing Analytics*

Rosie Poultney is a recognized expert in analytics, segmentation, loyalty programs, media evaluation and the creation of actionable insights that drive engagement and improve the overall customer journey. She is passionate that customer behavior from all interactions, going beyond transaction data to include web searches, email responses and even wearable tech, should be leveraged to provide relevant and personalized experiences. To this end, she has focused the team on the creation of more holistic customer views, additionally using new technologies such as SAS Visual Analytics and SAS Marketing Optimization. Prior to 89 Degrees, Rosie spent seventeen years with dunnhumby where she led the delivery of insights to C-level clients in the grocery and wider retail sectors. Her client engagements have included Macy's, Panera and Kroger in the US; Tesco, Deutsche Telecom and Shop Direct Group in Europe.