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DATA BASED, ANALYTICAL MARKETING

The Right Customer

Marketers engage in all types of lead generation strategies and nurturing tactics to keep the sales engine running. But to anyone who has ever sat in that chair, they know the challenge is not only getting customers, but managing them through the business to ensure they are "the Right customer". Too many low transaction (frequency and spend) customers can have a devastating impact on not only on marketing ROI but also sales, profitability, customer engagement and loyalty.

Getting the right mix of "the Right customers" at the volume and velocity that an organization can manage is key to every business. Case in point, when was the last time you experienced bad service at a restaurant because the volume and velocity of the patrons overwhelmed the staff?….have you been back?

Data based, Analytical Marketing is one strategy that businesses are employing to get "the Right customers" at the optimal volume and velocity, to drive their business performance. As one CMO told us recently;

"Data plays a critical role in everything you do from a marketing perspective. Marketing simply can't be effective if you're using a "shotgun" approach and hoping that you're hitting the right people. It's important to take insight both from existing customers and from the marketplace and use that information to inform your messaging. To do this, marketers need to be able to read the little data in addition to the big data. Businesses are generating a ton of data regarding customers and their behavior, if you don't have the tools or knowledge to use that data to inform your marketing efforts to existing customers, as well as, identifying who the most valuable new customers might be you are in at an ever increasing disadvantage in comparison to the marketplace and your competition".

Data based, Analytical Marketing jumps in front of the traditional "3R's" of right customer, right offer at the right time strategy, and through quantitative data analytics focuses on the objective of each marketing strategy, at the individual customer level. The ability to take big data and make it small, targeting to the customer level has shown to provide increased levels of engagement and loyalty.

The Right Loyalty

In the quest to find and perhaps even create the "Right Customer", companies and brands are continually looking to strategies that will increase customer satisfaction and loyalty. Loyalty programs in and of themselves generally won't create loyalty and a "loyalty program" usually is only incenting behaviors (behavioral or purchased loyalty). Data based, Analytical Marketing changes this dynamic, because Analytical Marketing is based on specific objectives and quantitative data methodologies, the "Right Customer" and the "Right Loyalty" can be defined specifically, not only at the business level, but more definitively for distinct segments, products etc. As an example, brands like Apple or Amazon may have some of the highest customer loyalty among major brands today. Their brand is so strong (really it's their brand promise) that customers demonstrate what is commonly called emotional loyalty. Case in point, each iphone launch is preceded by millions of pre-orders.

So how do these brands foster emotional loyalty? By identifying and then nurturing their brand promise (for Apple this is leading edge innovation) throughout the entire customer experience. Some marketers will refer to this as the customer journey. Data based, Analytical Marketing methodologies and technologies help to make this type of customer specific experience possible by continually evaluating each customer relationship, from the first interaction and continuing for each purchase, return etc. Managing the customer experience or journey through Data based, Analytical Marketing provides quantitative measurement of strategies and tactics throughout the journey, meaning companies can objectively measure and then refine every aspect of a customer journey to ensure that specific performance objectives, either for each customer or the business as a whole are attained.

The Final Word from a CMO

"As the lead marketer in my organization I have to not only understand what it is our loyalty program is trying to accomplish, but I need to know that our programs design, will foster the behaviors and hopefully emotions we want from our customers. I don't know how you do that without data and an analytic approach to your marketing. I have been in situations where the ask was to create a loyalty program. We had too much churn with particular products to put a loyalty program in place, and, in reality, the data showed that we weren't winning the right customers in the first place. The ones who were buying weren't really committed to the buy in the first place, and that's why we were having churn right away. So putting a loyalty program in place without having that understanding would have been a huge mistake. The ability to read the data and make marketing sense of the large amounts of data (down to the individual customer level) was key to being able to not make that mistake. Analytical Marketing empowered by your data is just smart marketing."

Data based, Analytical Marketing is a broad term that can encompass a large number of techniques, methodologies etc.