Hacking the marketing team with analytics

- Marketing and analytics teams often don't work together as much as they could. Yet with each other's help, they can significantly grow the business with customer insight and targeted marketing.

- Both teams must be fully integrated in the organisation and working towards strategic goals, backed up by data.

- Data will allow marketing teams to be strategic in their efforts, and use their knowledge to 'hack' the system for growth.

Marketing spends revenue. But does it do it well?

Most businesses face this question, usually around budget time. How much is too much, and what exactly has the return on investment been to justify ever-increasing budgets? Oftentimes that ROI is not evident, or the ROI simply may not be there. A focus on catchy slogans and branding doesn't always lead to sales.

That's a problem.

Marketing needs to be more strategic and the answer lies in the analytical capabilities of your business. A closer working relationship between data analytics teams and marketing teams will allow a business to hack their way to growth. As long as it's done right.

Growth hacking and strategic marketing

This more strategic marketing has a lot in common, though is not necessarily synonymous with, the concept of growth hacking. It takes a much more hands-on role when it comes to the effectiveness of the product a business sells and the manner in which it does that.

It involves a series of marketing experiments; for example, tweaking the UX of a webpage or trying a different method of product distribution, all geared towards growth. These strategies should only be driven by data, and their effectiveness quickly determined by the same.

Growth hacking can lead to businesses spending less, having greater impact, being able to prove their ROI, and gaining better insights about their customers to improve their products.

Sounds like a no brainer, right? Yet many businesses don't do it, operating with their data and marketing people (not to mention untapped data sets) in separate areas. It's time to bring them together, and ensure that they're able to work with each other well.

From our work at PwC, we've identified four capabilities that effective analytics teams must have in order to allow the marketing team to grow the business.
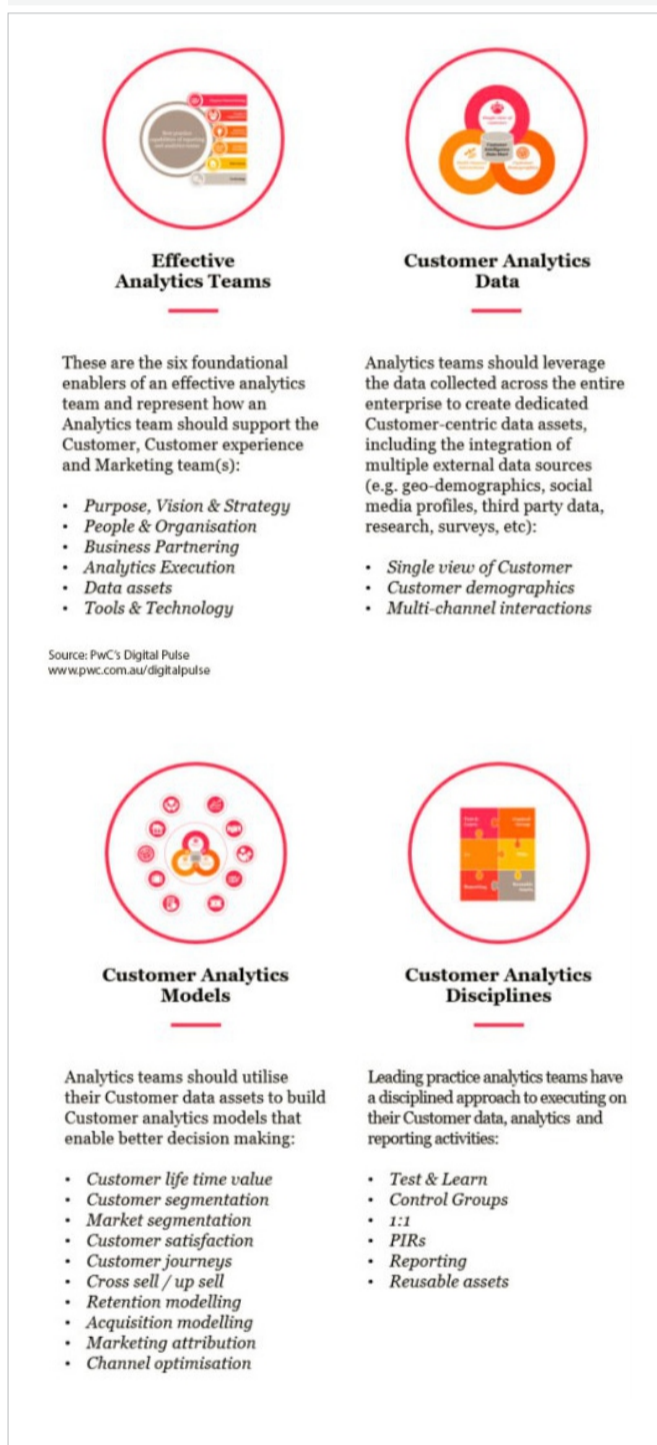
1. Marketing and analytics teams that are integrated and strategic

To truly be effective there are a few fundamentals that we have found analytics teams must possess.

They need to understand the purpose, vision and strategy of the organisation and they, as well as everyone else, needs to know how the team works towards those goals. Without this, your team is just crunching numbers, not necessarily the ones that will add value to the business. Being embedded in the organisation, with executive stakeholders and robust processes will also go towards analytics that matter. Imagine a world in which the marketing team wants to know something about their customer's world. Could

the analytics team find the data to answer it? Marketers have been asking questions about customers for years, building customer profiles from limited pockets of knowledge (such as surveys) and making educated guesses. Now, marketers don't need to rely on gut, they can streamline their efforts into targeted communications that result in sales.

Customer and Marketing Analytics teams need to deliver against four different sets of capabilities for best practice Data & Analytics

Effective Analytics Teams

These are the six foundational enablers of an effective analytics team and represent how an Analytics team should support the Customer, Customer experience and Marketing team(s):

- *Purpose, Vision & Strategy*
- *People & Organisation*
- *Business Partnering*
- *Analytics Execution*
- *Data assets*
- *Tools & Technology*

Source: PwC's Digital Pulse
www.pwc.com.au/digitalpulse

Customer Analytics Data

Analytics teams should leverage the data collected across the entire enterprise to create dedicated Customer-centric data assets, including the integration of multiple external data sources (e.g. geo-demographics, social media profiles, third party data, research, surveys, etc):

- *Single view of Customer*
- *Customer demographics*
- *Multi-channel interactions*

Customer Analytics Models

Analytics teams should utilise their Customer data assets to build Customer analytics models that enable better decision making:

- *Customer life time value*
- *Customer segmentation*
- *Market segmentation*
- *Customer satisfaction*
- *Customer journeys*
- *Cross sell / up sell*
- *Retention modelling*
- *Acquisition modelling*
- *Marketing attribution*
- *Channel optimisation*

Customer Analytics Disciplines

Leading practice analytics teams have a disciplined approach to executing on their Customer data, analytics and reporting activities:

- *Test & Learn*
- *Control Groups*
- *1:1*
- *PIRs*
- *Reporting*
- *Reusable assets*

2. Quality customer data

With the analytics team in place and working effectively, they then need to be able to leverage the data from across the entire organisation – including additional external data sources.

A single view of your customer is critical to being able to market or hack effectively. For instance, if someone signs up four times over the course of their shopping with you, from their mobile, desktop, social media or instore, that they are automatically de-duped into a single customer profile. All of these interactions are also recorded and available for the analytics team to dig into further and use in modelling.

This allows an organisation to market effectively, understand full customer journeys across all channels,

and with third party data such as social media or geo-demographics pulled into this profile, to understand with depth who customers are and what they want. Only then can marketing be developed that will truly hit the spot.

With marketing asking the customer-focussed questions and analytics teams providing answers, the ability to implement products and services that rely on a significant understanding of the customer can be achieved.

This doesn't have to be an expensive new system, a good data analytics team should be able to pull together a single view of customer relatively quickly that is useful.

3. Marketing decisions based off sound modelling

Stepping the maturity of the business up a notch, analytics teams who use the customer data above should then be building models that allow marketers to make better decisions. These models include things like customer lifetime value (so you know the potential profit of a customer from now and into the future), customer segmentation for targeted marketing and market segmentation (so you can identify new opportunities).

Customer experience and journey models will provide some great evidence for hacks that could significantly improve the first to extend the latter. The same goes for channel optimisation which will allow marketers to balance competing priorities and optimise spend.

And of course, acquisition, retention, cross sell/up sell and marketing attribution/ROI models will all pay for themselves.

4. Reduction of grey areas

The value of the analytics team, and for that matter, the marketing team, is only seen in the ability to execute strategy to encourage growth. To do so, however, requires more discipline that most would assume.

Analytics teams must take a scientific approach to everything they do. This includes proper experimentation, wherein things are tested andlessons learnt from those tests, the use of control groups, experiment reviews, robust reporting, single points of accountability and the cataloguing of data assets to increase their ability to reuse.

This doesn't mean there is no art in the execution of marketing. It means there is no silver bullet: brands rely on creativity to capture attention and engagement. But data allows the marketing team to take a measured approach, driving an environment of continuous improvement.

A marketing-analytics team, anyone?

From our experience, while some companies are very good at implementing one or two of these four capabilities, in a variety of combinations, hardly any companies are optimising all four of these areas. Those that do will win the game.

To do this requires a rethink of the purpose of both marketing and analytics within the organisation. Often these teams work in silos with neither taking responsibility for driving the profitable growth of the business. They are people that quite often think differently, and more often than not, do not fully understand the true benefit to the organisation each other provides.

Yet without each other, the efficacy of each is limited when it comes to growth.

This article by PwC's Phil Bolton and Will Feutrill is culled from PwC's **Digital Pulse.** See more at
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