

Monetizing Marketing Data

A data-driven approach to marketing provides a competitive advantage.



MARKETING IS ALL ABOUT THE DATA.

The era when men went mad for skimpy focus groups and homey stories to deliver customer insights and creative ideas for fueling marketing strategies—we're lookin' at you, Donald Francis Draper—has nearly come to an end. Today, mountains of customer data are the mother lodes from which marketers extract precious customer information to create and optimize winning marketing initiatives. But doing so isn't easy. Many aspects of data-driven marketing are difficult to master: optimizing data for better customer engagement; bridging the gaps between crunchers, creatives, and CMOs/CIOs so that the entire business benefits; and connecting siloed data are some of the challenges.

A competitive advantage is the prize for the brands whose marketers overcome those obstacles.

Six marketing leaders adept at data-driven marketing joined *Direct Marketing News* Editor-in-Chief Ginger Conlon, roundtable sponsor Dale Renner, CEO and founder of marketing solutions provider RedPoint Global, and special guest Sheryl Pattek, VP and principal analyst of Forrester Research Inc., for an in-depth conversation about the benefits and challenges of various data-driven marketing approaches. The participants discussed such topics as customer lifecycle alignment, marketing skill-sets needed to ensure the success of data-driven marketing efforts, and what types of data will help deliver a competitive advantage. —Alison C. Lowander

ROUNDTABLE PARTICIPANTS

Michael Darviche, Managing Partner, Bridge-22

Dale Renner, CEO and founder, RedPoint Global

Rachel Osborne, Executive Director, Consumer Marketing, Time Inc.

Mish Fletcher, Senior Partner and Worldwide Managing Director, Marketing, OgilvyOne Worldwide

Sheryl Pattek, VP and Principal Analyst, Forrester Research Inc.

Nick Nocca, Corporate VP, Marketing Communications Strategy & Execution, Gannett Company Inc.

Ryan Bonifacino, SVP Digital, Alex and Ani

Sheryl Warren, Corporate VP—Insurance Group, Service Organization, New York Life Insurance Company

Ginger Conlon, Editor-in-Chief, *Direct Marketing News*

Editor-in-Chief Ginger Conlon, *Direct Marketing News*: Welcome to our roundtable. We're here to talk about how marketers can optimize data to better monetize it through improved customer engagement—that is, a data-driven approach to marketing. Cohosting today's discussion is Dale Renner, CEO and founder of RedPoint Global. We're also fortunate to have Forrester Research's Sheryl Pattek with us, and both of them will provide insight on the market and advice from their perspectives.

Please introduce yourselves, and describe how you work with clients in terms of data-driven marketing. Dale, please start us off.

Dale Renner (RedPoint Global Inc.): In today's world, with the amount of data available, the channel proliferation, and the speed with which consumers can move on, it's hard to optimize relationships with them unless marketers and their organizations take a holistic view of mastering data. A lot of companies are so siloed that optimization is difficult. There is so much data trapped in silos that it creates latency, and latency is the enemy of the marketer. It always has been, always will be. We help our clients with gaining that holistic view of customers.

Rachel Osborne (Time, Inc.): I'm Rachel Osborne, executive consumer marketing director at Time Inc. I oversee several of our lifestyle groups. We're in a period of transition at the company. We're somewhere between siloed and fully operating on all cylinders. It's a focus of Time Inc.'s consumer marketing to bring those data points together and use them effectively to acquire and retain customers.

Mish Fletcher (OgilvyOne Worldwide): My name is Mish Fletcher and I'm the worldwide managing director of marketing at OgilvyOne Worldwide. We're the customer engagement arm of advertising agency Ogilvy & Mather, and we think it's not just about data; it's about the marriage of data and creativity, and how that marriage can create personalized experiences that enable us to grow customer value on behalf of our clients.

Nick Nocca (Gannett Company Inc.): I'm Nick Nocca, VP of marketing with Gannett, and with the exception of *USA Today*, each of our 81 community publications has a very local footprint tied to the community. We're taking a number of steps to deliver a tailored experience for our members and subscribers, versus one-size-fits-all. We're focusing on capturing even greater insight into our subscribers about how, when, and through what devices our readers interact with us, plus what they're passionate about.

Michael Darviche (Bridge22): I'm Mike Darviche. My consulting company, Bridge22, helps CEOs use data to reinvent their businesses, in target marketing and commerce. With so many new sources of data, the trick is in determining where that data can unlock value in new markets and client workflows, and what the business models are to get there.

Sheryl Warren (New York Life Insurance Company): Morning everyone, I'm Sheryl Warren, a corporate VP in New York Life's customer service division. My primary focus this year is to revisit our digital strategy for service. We want to redesign our website, engage our customers on different levels, and revisit our mobile strategy, as well. Silos are one big thing, and more creative analyt-

ics—there are many things we need to do to pull our data together to improve our customer experience from beginning to end.

Ryan Bonifacino (Alex and Ani): I'm Ryan Bonifacino, SVP Digital at Alex and Ani. We're a rapidly growing multichannel retailer. We're known for our bangle bracelets and accessories, and have come a long way in a short period of time, with the luxury of not having legacy issues with technology or politics that plague most of our competitors. We have a network of more than 45 of our own stores and strongly believe that our best customers come from our stores. So from a digital perspective, we're constantly attempting figure out how we go all the way back to who a customer of ours is and where she comes from—our store, a channel partner, our site—in addition to who owns that relationship and how we measure it.

Sheryl Pattek (Forrester Research Inc.): Hi everyone, I'm Sheryl Pattek, VP and principal analyst at Forrester. I bring a practitioner's view to the work I do with our clients, focusing on their go-to-market strategies and how they transition to being customer-obsessed. It's taking the customer in rather than taking the product, feature, function, and service out. That requires a complete understanding of customer behaviors and of analytics, both from systems of engagement and systems of record, then bringing all that together for a holistic view of customer behavior that helps to inform better market strategies.

DMN: Does data-driven marketing provide a competitive advantage?

Fletcher: Data-driven marketing is important, but to go back to my original point of the marriage of data and creativity, data is really only one half of the equation. On its own it doesn't solve all the problems. It's the combination of the data with the creativity—that's the balance you need to drive real value.

Warren: I think interpreting the data is essential, and I'm predicting that most companies will be looking for more insights on how to attract and establish relationships with millennials. If you have all





this data, then how can it be segmented in a timely fashion to help build relationships with these young customers?

Osborne: A lot of our marketers experience analysis paralysis. We've seen it when we dabble in social listening; it's coming at you in a tool and what do you do with it? How do you analyze it and then how do you make it actionable? Figuring out that strategy is where we are. We do really well in print, with data on half the U.S. population—more data than a lot of people have at their fingertips. But we don't have it on the digital side, and we're trying to work there.

Patttek: To your point about having so much data that you don't know what to do with it, Rachel, one of the things that we're encouraging clients to do is to start with a question you want to answer. Then once you know what that problem is, ask what data you need to solve that problem and what sources can you get that data from.

Renner: What we're seeing now with the notion of bringing data together is what I think of as a data hub; now they're being called data lakes and data reservoirs. The idea is that if you bring all that data together you actually have a shot at delivering insights from that data to marketers, business and financial analysts, and others in an organization. That's where companies are going to go with this. And then the question is, who owns that? The CMO should own it, or maybe it's the CMO and the CIO. But there has to be a data hub.

Nocca: How many companies are really focusing on lifetime value? I'm not sure that this concept is being embraced by the marketing community. I think marketers risk losing sight of the forest for the trees—we're generating tons of data but losing sight of value-creating opportunities that are right in front of us.

Osborne: In one sense, especially in media, there used to be a lot of risk-taking, but there isn't an appetite for it now—spending a lot of money on something that you don't necessarily know is going to provide ROI.



Darviche: If you can tie back “closed-loop” information results—for example, consumer buying voyages across marketing touch-points and the product SKUs themselves—and can match and crunch through the data, then you take this big step forward in marketing performance. This makes a difference in boosting revenues, compared to other tests that are a “toe-in-the-water.” We're just starting to tie true multichannel and multi-device sources of data back the original campaigns, now adding predictive analytics at a scale and precision that's really insightful about matching products to consumers.

DMN: What are some of the key data points that help most in your data-driven marketing efforts, and what data do you wish you had?

Bonifacino: Data should be a compounding asset on any retailer's balance sheet if you're measuring it the right way. So step one, get control of your own data, then enhance it, supplement it, and add some campaign performance data, which will give you a holistic view. Then account for new opportunities to measure actions in a cookie-less and offline world, like mobile. It's relatively easy for all of us to aggregate cross-device data and leverage analytics partners out there that can merge it, and then you enhance it to the best of your ability.

Our brand has powerful first-party data, particularly at the store level where we capture about 90% of email addresses for all receipts. Our e-commerce system and digital marketing platforms are all updated in real time. In addition, the moment we get an e-receipt, we pixel the device to get that device information to bridge the gap between the stores and our digital efforts. On the social media side, somebody may click through to our site and then sign up for an account, but knowing the before, during, and after is mandatory for true measurement.

Nocca: We're doing a better job with our first-party data. Why did you decide to subscribe? Why did you decide to leave? You want to start to get more information about how customers feel about the experience, how they feel about what they're paying.

It's becoming easier to see which of our content is performing better, and our newsrooms are becoming even more attuned to the way people are engaging, what they're valuing, and what they're sharing. This is helping us to be more responsive to their needs and interests.

Warren: I think that more personalization with our customers is key. For example, how can we understand our customers' lifestyles so our website could add value beyond transactions—make a payment or get policy values? If carriers could get closer to their customers they could provide value-added insurance information based on their lifestyles; then insurance websites would be more appealing. So, that's the kind of data I would go for.

Osborne: We're also trying to move ahead with our websites. If we don't have registration there, how do we learn more? The more you can know about the type of content people are consuming and what they're interested in, you can stop them there and sell them a product or service. Our editorial teams are adept at content and reading all of their audience analytical tools to create content that people want. It's just tying that back to the transaction of buying a subscription or a membership or purchasing a single copy.

Patttek: Being able to link across every stage of that buying lifecycle is important. We think of it as having six stages, beginning when buyers discover they have a problem—but they want a quick build, whether it's a B2B or a B2C transaction. Then they explore what the options are, buy, start to use the product, ask some kind of questions, and then they engage with the organization and become an advocate for recommendations and referrals.

Nocca: To Mish's creativity point, there has to be a connection between the machine learning and the automation to derive an insight that leads to some kind of an action.

Fletcher: It's using data to move beyond the transaction, even beyond lifetime value—actually moving into advocacy because you, the customer, are telling us about it, and how many other people have you told?

Renner: And you get enamored with the technology, but you have to think about it from the customer's viewpoint. You have to decide what questions you're trying to answer. But there has to be a connector. There's no reason to build a data hub that you're not going to be able to connect to the people who are actually dealing with the customers.

Darviche: Marketers want as many kinds of new and different data to try as they can find. Big data is all about mashing together new granular points at scale. As you get closer to that kind of nirvana—connecting all this to customers—you realized that this isn't anything new. This is fundamentally the approach taken 30 years ago by the big direct marketers in the financial services world. And if you can assemble the data sources, data handling, and analytics today for a similar approach, you will continue to uncover the next big step-ups in driving customer revenues.

DMN: What are the skills you look for to build your team today?

Osborne: Our key marketers are really good direct marketers who have solid analytical abilities, can look at numbers, interpret the data, and take creative action. We have analysts that pull information for us, but the new breed of marketer is more analytical, and they're into the systems themselves. They probably know some Java and understand the backend side of things, as well. It helps them in creating products and then being able to market them.

Bonifacino: In terms of data analytics, we've leveraged several minds from the world of quantitative finance, including former





portfolio managers at a hedge fund, often responsible for \$1 billion in assets under management on their own or with proprietary trading desks at investment banks. The skills required are very close to those necessary for retail analytics and attribution.

We also believe strongly in bridging the talent gap between retail and corporate. The first few team members at Alex and Ani Digital were very new to this ever-changing world, and came ready to work hard with a ton of product-level expertise without any bad habits. They were observing an evolving digital strategy every step of the way, and they now can interact with the best minds in the business. The expertise with our brand and what we stand for coupled with digital is an extremely valuable talent mix for us.

Patttek: You need to look for people who have a hunger to learn, are inquisitive by nature, can think about the customer and be analytical, have technology smarts, and come from diverse backgrounds. Because that's what you need to build this customer-focused culture.

Fletcher: I read an article recently about the rise of the chief marketing technology officer. That's such an interesting innovation in terms of talent because the CMOs, CIOs, CTOs—they're just speaking different languages.

Patttek: Yes, I do quite a bit of research on CMO/CIO relationships and marketing technology, and we see in our client base that when there's a chief digital officer, it's usually because either the CMO or the CIO doesn't have the digital skills they need to drive the business forward.

DMN: Sheryl and Dale, any final pieces of advice?

Patttek: I think it starts with a mission. Does the CMO have a mission that says, "We're going to be a customer-obsessed organization and we're going to develop our marketing strategies based on customer needs and use data to inform them?"

To get the organization or your own teams onboard with a customer-centric, data-driven approach, you can use a best practice and



a case study, but you have to bring along the marketing team at the same time that you engage the rest of the organization. Think about the model around this idea of customer lifecycle and align the capabilities that you want to deliver to the stages of it—and define what capabilities you're trying to provide to the customer. Use that as a bridge across the rest of the organization—it's pretty hard to argue against if you're focused on the customer.

What's more, you can differentiate yourself in a crowded market today by the type of customer engagement you have and how you delight, surprise, and drive improvement across the entire lifecycle. But you can only do that with data.

Renner: A holistic view is essential. Data by itself is just data and it has to be connected to something. My advice as you go on these journeys is to think about connecting with the rest of the organization. It's going to be difficult, but when you figure out how to orchestrate that inside your company, you can make a big impact and move the needle—but it's got to be connected. It's got to be for a purpose.

And we could argue what analytics even means, but let's just say it's insights and deriving insights that help you take better action. And then any customer reaction creates more data, and more data gives more insights, again. It creates a virtuous cycle. So the question isn't so much does my marketing strategy change; it's more, "What knob do I turn based on all that data to actually make my strategy come alive?" ■

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