



Embracing Customer Analytics to Create The Active Marketing Organization



Embracing Customer Analytics to Create The Active Marketing Organization

Marketers need to truly embrace analytical thinking. By employing Customer Analytics as part of their every day workflow, marketers gain real insight into consumer behavior to improve business performance and create **The Active Marketing Organization**.

Understanding and embracing *Customer Analytics* as a marketer is a vital first step in evolving your marketing organization.

Analytical Thinking: The New Black?

The use of analytics across all aspects of operations is a prominent movement in business today. And it's not just for the Fortune 500 set, small and mid-sized businesses make up a large part of the economy that employ analytical thinking. Technology innovations have allowed smaller players to compete on a global scale making competition even fiercer. And this trend of using data analysis to inform decision making will gain momentum as businesses strive to differentiate and succeed.

Customer Analytics focuses specifically on the collection, measurement and analysis of consumer behavioral data, resulting in actionable insights for the marketing organization.

It finds purchasing patterns and connects customer data, from all sources, to provide a more robust context for strategic marketing operations. The results are reduced risk in decision making that leads to more effective and efficient marketing execution.

Understanding and embracing *Customer Analytics* as a marketer is a vital first step in evolving your marketing organization. However, the secret to transforming into *The Active Marketing Organization* is making Customer Analytics an intrinsic part everyday marketing operations.

Customer Analytics Yields Actionable Insights

Transforming data into actionable insights about customer behavior requires context to be fully utilized by marketing. Let's look at some static data points. For instance, "55% of our clients are divorced", "78% percent of our customers have lived in their house for less than two years", and "blue is the preferred color" are interesting factoids, but provide little value when you look at them on the surface. Demographic facts and preference information, etc. need to be tied back to customer behavior on a timely basis to be truly useful for marketing. Again, if we look at the data point that "55% of your clients are divorced", it provides no insight for how to market to this segment. By contrast, a marketer using Customer Analytics to link demographic and transaction data discovers that "divorced parents buy primarily on the weekends and respond best to discount coupons." Now, marketing can respond more quickly with a targeted promotional campaign that takes full advantage of this customer behavioral insight. And again, the key is embedding Customer Analytics into the daily marketing function, so that these insights proactively inform future decisions.

Get Active, Get Results

Create an Active Marketing Organization

Creating an Active Marketing Organization is simply about creating results that positively impact business. And how is this done? The basic steps are:

1. Get customer transactional data under control across your organization.
2. Employ consistent measurement tactics and analytical tools that seamlessly integrate with your current marketing and business processes to gain real insight into customer purchasing habits.
3. Create a closed-loop feedback system where analytics knowledge links spend and marketing performance to proactively inform business decisions.

ARE YOU AN ACTIVE OR PASSIVE MARKETER?

So, what is an Active Marketing Organization? In short, it comes down to two things: your company's attitude towards data and your overall marketing behavior. Are you compiling and analyzing customer transactional data from a variety of sources on a day-to-day basis? And are you using the analysis to proactively inform your marketing efforts and even predict customer response? If your answer to either of these two questions is "no", "not really" or "I'm not sure", it's time to look into transforming your company into an Active Marketing Organization.

The Benefits to Active Marketers

So, what are the benefits of migrating to an Active Marketing Organization? Well, you'll be able to:

- » Tap into underutilized customer data and transform it into a "living, breathing", appreciating business asset
- » Make faster, more informed marketing decisions
- » Predict customer behavior and easily test "hunches"
- » Reallocate underperforming campaigns and programs
- » Reduce marketing risk by shifting from intuitive to rational decision making
- » Reduce marketing costs significantly
- » Improve campaign performance and increase customer profitability

By optimizing behavior and capturing the evidence that validates marketing performance, you'll not only be able to justify and defend expenditures, but make a rational case for increasing marketing spend.

Don't wait for IT to drive analytical thinking within your organization. Now is the time to transform into an Active Marketing Organization by building a foundation of Customer Analytics and adopting the practices of active marketers. If your business isn't thinking about these changes, you can be sure one of the guys around the corner, or around the globe is, and they're probably doing something about it.

An Active Marketing Organization in Action

The table below describes the qualities of an Active Marketing Organization in terms of overall attitude towards data management and marketing behavior.

Timely Access to Customer Data

- Maintains a central repository that is operationally integrated with marketing processes
 - Data is structured for marketing purposes
 - All vital data sources are integrated
 - Provides a single view of customer, regardless of how or where that customer was acquired
-

Intimate Customer Knowledge

- Knows detailed customer purchase history
 - Provides demographics at individual level
 - All vital data sources are integrated
 - Identifies key lifestyle triggers (moving, marriage, birth of a child, birthday, anniversary, etc.)
-

Advanced Marketing Techniques

- Understands “why” customers make each purchase
 - Uses precision targeting and variable data to speak to customers one-to-one
 - Uses predictive modeling in segmentation and campaign workflow
 - Analyzes customers based on purchase history, intent and preferences
 - Regularly employs campaign experimentation to “test and learn”
-

Proactive, Strategic Marketing

- Discusses marketing ROI upfront (versus defending campaign post mortem)
 - Embeds Customer Analytics in the business process
 - All vital data sources are integrated
 - Organization at large (especially C-suite) views Customer Analytics as a planning effort that positively impacts the business
-

3RDWAVE)))

305 South Main Street
Verona, Wisconsin 53593

Phone: 608.848.9283
Fax: 608.848.3136
info@thirdwaveresearch.com

Turn Customer Analytics into Competitive Advantage with 3rdwave.

3rdwave is a marketing research and technology firm specializing in the art and science of Customer Analytics. We provide solutions that simplify the complexity of customer data management and analysis, giving organizations better visibility into marketing performance. Since 1994, 3rdwave has provided marketing information solutions to businesses and organizations across the nation, in various industries including retail, financial services, healthcare, hospitality, manufacturing, pharmaceutical and consumer electronics. 3rdwave is headquartered in Verona, Wisconsin, with offices in San Francisco, California and Chennai, India.

For more information, please call (608) 848-9283, or visit 3rdwave on the web at www.thirdwaveresearch.com.