Chief Marketer Marketing Technology Special Report

Database Tech Trends

Why marketing teams need to think non-traditionally to get the most out of their solutions

Database technology solutions are making it easier than ever before for marketers to take advantage of customer information and target the right audience at the right time with the right messaging. And while taking the leap to database-driven marketing may be less intimidating than it has been in the past, getting the most out of big data for marketing purposes requires a shift in thinking for marketing teams.

"The way data decision-based marketing works is not based on traditional marketing. The way you traditionally market is you have a product you want to promote, you come up with an idea of who you want to target and then you target those people. In essence, decision-based marketing with automation is the antithesis of that—you look at the whole portfolio of what you can offer and you don't make any predeterminations of who you want to target. You let the big data solution figure out who should be targeted," says Globys vice president of products and mobile strategies Glenn Pingul.

THE DATABASE TECH EVOLUTION

Tech advancements on web and ecommerce sites are what really spawned big data marketing, with companies like Amazon, Yahoo! and Google and their display advertising platforms creating a new kind of marketing that was very targeted by mixing variations of display ads and allowing marketers to get granular with metrics on the performance of the ads with things like click-through rates.

Big data has now become more mainstream, thanks to new tech solutions that allow marketers to better harness the information and turn it into something actionable.

"The cost of storing data has gone way down, and I think there is so much more data that comes through mobile devices, and it's highly personalized. There has also been a big increase in computational power. Those have been enablers for really being able to leverage data as everything has become more digital. The key from the marketers standpoint is that five years ago, data scientists and marketers weren't working as closely together," Pingul says.

Marketers with business objectives, strategies and ideas on how to drive maximum value out of their portfolios need to enlist a partner who understands how data has evolved, how the economics of harnessing lots of data and the toolsets, Pingul says.

"You have to have a partner and you have to have a common language of how the science can meld into what the businessperson wants. That's as

Continued on page 2

Continued from page 1

much of a key as anything else in the last five years," Pingul says.

In the past, marketers who were focused on the creative side of crafting successful campaigns didn't want to worry about IT concerns. Now, the game has changed.

"If you want to do decision-based automated marketing you need to have a partner on the science side who understands what you want to do, and you need to understand how they're delivering it to you to be successful. That partnership has been one of the biggest changes in the past few years," Pingul says.

BIG DATA PROCESSES

Leveraging database technology for marketing objectives can be a tough concept for marketers to wrap their heads around, because it isn't the workflow that they may be traditionally used to. "They're used to getting, for example, a list of females age 18 to 35 who meet a certain criteria, and then targeting them. What they may get is a certain kind of response rate, but what they're doing is missing the opportunity of all the other people in their portfolio who want or benefit from that product, but they're not even targeting them. So at the onset, it's about rethinking the whole targeting methodology and processes of how you run campaigns," Pingul says.

A change in thinking on measurement is also part of the equation. Many campaigns are measured purely on short-term metrics, like response rates, but decision-based data marketing requires patience and for marketers to rethink what they're measuring.

"Are you measuring the right things, or are you measuring indicators that give you a quick guide that doesn't necessarily translate to the true measure that you're after, which is are you increasing revenue? The data is king, and once you move from having a gut feeling of how you target to actually looking at the data in a different way," Pingul says.

Targeting for marketing campaigns is often based on simple demographics or psychographics, or clusters of customers that fit certain profiles. But once you start seeing real data on how customers behave through automated tech solutions, it opens avenues to a different way of marketing.

For example, when a marketer for a mobile carrier that is trying to market a text messaging package to customers sees detailed behavioral data of mobile users, they become much more interested in how customers are using texting services as opposed to thing such as age demographics.

"The people that are heavy texters could be 70-year-old grandmothers, as opposed to 18-year-old

Continued on page 3

MARKETERS LOVE BIG DATA

A majority of marketers are embracing data-driven marketing practices, and are working hard to find the right technology solutions and training for staffers to get the most out of big data, according to a recent report from Bizo.

Bizo's "Data-Driven Marketer" survey of 852 marketers shows that most respondents are using some type of data-driven tactic, such as leveraging analytics tools to examine website traffic, using real-time bidding to purchase online display advertising or using a marketing automation platform to nurture prospects.

According to the report, 68.2% of marketers are analyzing customers through data, while 54.8% responded that they are leveraging data to measure marketing performance. CRM systems are being used by 67.7% of marketers and 31.3% are deploying marketing automation software.

Bizo's survey indicates that other software platforms that are being used by more than 30% of marketers include analytics tools (61.0%), email software (39.8%), social media management tools (37.5%) and blogging platforms (36.3%).

But leveraging all this data into actionable reports that marketing teams can use to drive business is proving to be a challenge. More than half of those who responded to Bizo's survey (51.8%) indicated that building reports was a hurdle they encountered.

Other data-related troubles responding marketers are dealing with include finding the budget and trained staff to execute data-driven practices, with 40.5% saying that limited team capacity to prioritize was a problem, and 35.7% responding that a limited budget to install necessary technology was holding them back. A total of 33.6% of respondents said they don't have team members with the right skills to leverage the data, according to Bizo.

That means marketing teams are looking for data-savvy team members to help make sense of this new world of customer data. The survey shows that nearly 30% of respondents plan to hire more data-oriented marketing employees (which is twice as many as the 14.5% who said they planned to hire fewer). Also, 33.7% of those responding said they planned to hire more mathematically inclined employees, with 17% indicating that they planned to hire fewer. So the future appears to be bright for marketers with a skill set that includes the ability to work with big data.

Continued from page 2

girls. When marketers see the demographics paired against how people are actually using the product and the behaviors that they have, it becomes very eye opening," Pingul says.

THINK DATA-FIRST

Adopting that data-driven way of thinking is critical to success when leveraging database tech solutions, he says.

"You have to take the mindset of discovery and exploration. Initially, what you want to do is a lot of testing and learning to understand the efficacy of what's working and what's not working from an analytic and numerical standpoint," Pingul says.

Marketers need to understand their customers' behavior and run tests with tech solutions to find the results that prove the most successful—and the results that aren't as successful. Once that data is on the table, marketing teams can begin to capitalize on it.

"You want to find out what's happening on a more detailed level, and from there you can turn on machine learning and let the data optimization tech solutions run. A solution can't optimize if it doesn't have the assets or the coal to run campaigns. If you think about machine learning and analytic-driven marketing as a juggler, if you're giving the juggler just two balls it can only impress so many people. What you want to do is give it as many balls as possible. If you have a portfolio of 10, 20 or 50 products, then the solution can really get down to nano-targeting," Pingul says.

BIG DATA AND CONTENT

When it comes to database tech and content marketing, the ability to receive improved data on what content is working with audiences is another way marketers can increase ROI.

Content marketers produce content for customers in different stages of the buying cycle and for very different personas. Personalizing this kind of content across all channels for all of these personas based on data that shows what will be most effective is a growing trend. New tech solutions allow marketers to dig into customer databases and run experiments with articles, videos and white papers targeted to specific audiences, and the data from the results of those experiments gives marketers feedback on what's working.

The problem in the past has been making sense of big data and how it applies to content marketing because someone had to sort through all of the data to figure out what's working and what isn't, and

then act on that analysis. Now, new tech solutions are automating that process by identifying what content is performing best, what's bringing value, and what's working on specific channels.

"For example, some content may work with loyal customers, but not work for new customers. This data can provide those valuable kinds of insights, instead of a system that's just sending out content and the marketer has to digest the big data and decide how to improve personalization. Hippo provides feedback so marketers can more efficiently gauge what content is working for which audience," says Tjeerd Brenninkmeijer, CMO and co- founder of Hippo CMS, a leading open source Java-based WCM platform.

Tech solutions also allow marketers to see real-time results on these types of content experiments, and to act quickly on what's working and what's not.

"It's a crucial factor. Within the big data world, some people use all visitors as data, then start crunching that data, analyzing it and then hopefully they see a pattern and can use make changes based on what isn't working. They are missing out on the people who are actually there on your site right now to buy or get their information," Brenninkmeijer says.

Tech solutions like Hippo leverage a big data store that can change content messaging in real time as it's mapped to a certain persona. The tech solution is what makes the decision, based on algorithms, to choose which content will work for which persona on which channel.

"Customers get different content based on that mapping. New customers get different content than customers who are farther along in their purchasing decision. It's all in real-time and we use anonymous data like IP address or keywords entered in search, and we can enrich that data with things like weather information at the location they are browsing from. We use all the data to create that map," Brenninkmeijer says.

Continued on page 4

IMPROVING DATA QUALITY THROUGH TECH

For many marketing teams, having plenty of customer data at their disposal isn't the problem—it's just that the data is in need of a little tidying up. Data from different sources and varying fields can take a long time to sort through manually. Now, tech solutions can take the headache out of that data cleansing, helping marketers to save time and costs.

Data quality improvement tech solutions integrate with databases and data warehouses to improve the quality of data within them, standardizing and validating names and addresses, matching disparate data points to single customer records and enriching postal information and other data. This kind of tech solution can improve customer segmentation and analysis, and help marketers execute better campaigns by leveraging better customer data.

Marketers need to act quickly on customer data as they receive it, and personalizing the customer experience and targeting customers more accurately is critical.

A lot of customer data may be stored in different places throughout an organization, or may be coming in in drips and drabs, but tech solutions such as Trillium are aimed directly at improving data quality.

These solutions integrate all customer data points under one record, making sure that items like a customer's name, address and email are correct. With a single customer view, marketers can more easily create more targeted campaigns, deliver more personalized service if the customer service team has access to all of the data and cut costs by minimizing duplicate mailings

For example, if a retailer is bringing in data from its online store, loyalty programs, ecommerce or a parent company, this kind of solution can help tie all of that data together.

This technology can be integrated with data warehouses, CRM systems, MDM systems and other existing data-focused applications, and suppliers work with marketing teams to get these systems up and running quickly, whether its and cloud-based or on-site solution.

Marketers and IT teams take over from there, handling dashboards and day-to-day operations. These solutions are also customizable, so when data comes in it conforms to their needs. If there is a specific data set an organization wants to focus on it can be set up that way to get the most out of it.

Continued from page 3

But what metrics matter most when tracking content data?

"When you create content, you can attach it to a persona, or multiple personas, and also provide goals such as a CTA or users leaving their email address. When you have that attached to the content page, you can really focus on the ROI of the content. Instead of just creating as much content as possible, you can create content for certain personas, stages and for certain goals and get feedback on what's working. When you have defined goals you can tune in on optimizing the whole funnel." Brenninkmeijer says.

BIG DATA AND MOBILE

The data that marketers can glean from mobile devices is different from other database-driven marketing, such as EDM, mail or web-based information because mobile data is highly personal.

Mobile phones are usually identified directly with the user—not just an IP address—so that alone is powerful when it comes to the kind of insight you're getting on a customer. You inherently know more about the customer you're communicating to on the device.

"With the kind of data you can get from mobile, you can not only use location to send them offers based on where they are, you can see where they travel during their typical day. It allows you to deliver much smarter marketing. The richness of the data that you get is greater. Now you're seeing the emergence of real mobile data, and it's almost like you're seeing mobile merging with Internet. You have a sense of what sites people may be browsing on, and you have a more holistic view of their behavior from their mobile device, based on their communication and consumption behavior," Pingul says.

These new layers of data from mobile provide richness for the marketer to create much more sophisticated campaigns.

"The communication vehicle also lends itself to SMS-based communication. SMS is one of the cheapest forms of communication, as opposed to electronic direct mail where you've got to have creative. SMS continues to be the forefront medium for communicating with customers because it's so fast to create, develop, test and run campaigns and learn from it than any other channel," Pingul says.

Patrick Gorman
Senior Editor, Chief Marketer
pgorman@accessintel.com
Twitter: @CMPatGorman