ONE OR MANY?
IDEAS TO CONSIDER WHEN USING DATA TO REACH INDIVIDUALS OR GROUPS

There are two approaches to consumer data marketing. One is centered on individual-level insights and the other is on a demographic level. Consumer privacy is at the root of both of these approaches.

Segment of One

Today we can analyze massive amounts of data in near real-time — giving brands the ability to maximize marketing spend and optimize offers and campaigns to provide a better overall individualized customer experience. In turn, this level of personalization can result in increased sales and customer loyalty. That said, in order to be successful in building consumer relationships, marketers practicing mobile precision marketing must focus on establishing trust by being transparent about how data is collected and used, allowing for opt out, and then delivering relevance and real value.

Earlier this year, a major retailer was under fire over its use of a service that used in-store WiFi connections to track individuals' in-store movements through their smart phones. Even though the tracking was anonymous, it still resulted in customers feeling violated. Hearing its customers' ire, the retailer stopped using the service. Consumers must have transparency over how their personal information is collected and used in order for precision marketing to be successful.

Marketers must also be conscious of, and sensitive to, privacy regulations as they vary by region, but that should not discourage their strategies. For example, Montréal, Canada has very strict consumer privacy regulations so it was interesting when Société de Transport de Montréal found that 60% of its customers completed the entire consumer 'profile' process that included several screens of personal preference and demographic questions. People are willing to share a lot of personal information as long as they trust the receiving party and feel there is a valuable and relevant return.

Segment of Many

Demographically-segmented population behavior in a mobile environment gives marketers the ability to tailor relevant advertising and promotions, develop products that are better targeted, and design sales efforts that have a better success rate. As technology maps a mobile user's general location, marketers can extrapolate that data on aggregate from mobile operator networks to understand traffic flows at a particular location, gain insights to make better decisions for advertising planning and placements or other promotions so they reach the most appropriate audiences.

Mobile network operators and marketers protect privacy through anonymity. With anonymized demographic-level data, marketers only know as much information as the first two digits of a mobile user's zip code and matching demographic information (e.g., age and gender). There is no personally identifiable information–no telephone number, name, address, social security number, credit card or financial information–of any kind. In essence, marketers would know that an 18-25 year old male from Chicago is the user of the device. While it seems vague on the surface, powerful analytics tools can extract and analyze various data sets to turn this big data into valuable knowledge and enhance decision-making.

—KEVIN OUTCALT, VICE PRESIDENT, SAP MOBILE SERVICES

2014 DATA WATCH
CHIEF MARKETER ASKS...
WHAT ARE YOUR BIGGEST DATA CHALLENGES IN THE NEW YEAR?

Ron Jacobs, president, Jacobs & Clevenger Channel attribution. When we used just a few channels, we were able to accurately measure what our prospects and customers were responding to. But in the multichannel/omnichannel age, we use numerous channels, including search, social, email, mail, mobile, online/offline ads and more. So "last click" attribution is not the answer. Our quest is to apportion credit across these channels, and doing this accurately seems like an insurmountable challenge.

Chris DeMartine, vice president, V12 Group I'm concerned about data integrity and reporting. If the raw data being provided is not correct, then even the best attribution models will fail. For example, acquisition efforts from a direct response perspective have a high emphasis on open rates (email), CTR (display and email), view-ability (display) and deliverability (email). However, not all service providers are showing integrity with regards to these metrics. It's important to set standards for reporting accuracy, and make sure that the consequences for artificially inflating results are greater than the financial gain associated with deceptive practices. But it's even more important that conversion tracking trumps front-end response metrics that can be too easily manipulated by other means, human on robotic.

Cyndi Greenglass, senior vice president — strategic solutions, Diamond Marketing Solutions As the proliferation of unstructured data grows, we as marketers run the risk of being overwhelmed by what is not relevant. In the past, throwing out the outliers ensured a smooth analysis and ability to trend for marketing performance and decision making, Now that big data allows us to keep outliers, in fact to keep all data, how do we as marketers stay focused on what is relevant and, and maybe more importantly, how do we differentiate interesting data from truly important data points. Being able to grasp and react to a meaningful data point through the sea of big data could mean true competitive advantage. It is the Matrix realized in real life!

—BETH NEGUS VIVEIROS

B2B CONVERSION RATES UNSATISFACTORY

Almost 80% of B2B marketers aren't satisfied with their current levels of customer conversions, according to a report from the CMO Council.

The problems stem from the fact marketers aren't properly utilizing their real-time customer information, or effectively automating the mining of big data. The CMO Council's audit of senior marketing executives, The Customer Sales Intelligence Scorecard, aggregated responses across 10 areas of front-line sales enablement. The most notable areas of deficiency include fragmented ownership and quality of customer data, poor levels of CRM system integration, lack of prospect prioritization, and insufficient opportunistic or contextual selling.

A surprising 79% of marketing respondents surveyed by the CMO Council in Q2 and Q3 2013 admit they aren't satisfied with the current levels of closure and conversion of customer opportunities. Just nine percent say their organizations have customer intelligence systems that deliver real-time, account-based news, social insights, customer developments and market shifts to the sales organization. Only 37% have systems that integrate and share any level of customer information between sales and service, support, channel, in-store or field assets.

Marketers readily believe that big data is a key enabler of personalization, with 81% stating this is an area of growing importance and strategic focus. However, personalization of interactions is only happening at the marketing campaign level with email, direct mail, web and social media engagements. In fact, some 65% say front-line resources don't have access to social media intelligence to leverage in personalized, direct outreach.

"In our quest to leverage big data to optimize marketing effectiveness, B2B marketers have lost sight of the fundamental mandate of marketing: to better enable sales and front-line revenue drivers," said Liz Miller, vice president of marketing for the CMO Council. "By focusing attention into how we deliver the 'little data'—those actionable pieces of intelligence that can alert and empower the front line—we can reclaim the role of revenue driver." —*BNV*

MAKING SOCIAL DATA MEANINGFUL

Meaningful relationships with the power to turn prospects into customers and inactive customers into buyers are rooted in offline connections, not online interactions. Anyone can have 500+ Facebook friends these days and of course some people have the time to comment, like, repost, share, tweet, etc. every product they purchase or store they visit. That doesn't mean anyone actually listens or is driven to act.

Socializing data—combining big data techniques with factual evidence of social influence—empowers marketers to map meaningful relationships between people in a database to influence purchase decisions and enhance brand loyalty rather than simply relying on Facebook friends and Twitter followers. Real-world relationships tend to involve more in-depth interactions, a heightened level of trust and intense similarities—be it current interests, hobbies, activities, salaries, education level, stage of life, etc. Combined, these factors make real-world relationships much more influential when it comes to people's buying decisions than online social circles.

This is especially true based on specific topics/products - for instance, there may be one person who someone turns to for advice on a new car purchase and another upon whom they rely for direction on anything/everything child related. Add to that the ability to see—based on past transactional history and sales data—who tends to create a domino effect of purchasing activity, and marketers are suddenly able to better determine the right audience, channel and offer to reach and convert.

Industry innovators are already reaping the rewards of socializing data to drive sales. Let's take a look at a few prime examples:

1. **The credit card industry is a good place to start.** While marketers have relied on traditional prospecting models and direct marketing-based acquisition for years, they've seen the same meager response rate across the board. No one credit card company could really claim to be breaking through the noise and achieving stellar conversion. However, by employing new influence analytics to those same campaigns, credit card companies are now able to triple the conversion rate by targeting purchase influencers and their real-world connections.

2. **High-end consumer products are also able to push previous boundaries**. We've found that the higher the price, the higher the influence a prospect/customer can have on their social circle. For instance, if one of your prospect's influential friends purchases a high-end TV, they and the rest of their circle are five times more likely to purchase that same TV within an eight-week window as the buyer justifies their big, new purchase by actively advocating its finer points.

3. **There's also a negative side of influence —which, in some cases, can be more powerful than the positive influence.** Telecom and utilities are the prime example here. We've found a chain reaction in social graphs - if an influencer cancels a contract or switches providers, their social circle is five to six times more likely to do the same either immediately or at the end of their contract.
   —*RAN SHAUL, FOUNDER AND COO, PURSWAY*