



BIG DATA MARKETING

ENGAGE YOUR CUSTOMERS
MORE EFFECTIVELY
AND DRIVE VALUE

LISA ARTHUR

WILEY

Table of Contents

[Title Page](#)

[Copyright](#)

[Dedication](#)

[Foreword](#)

[Acknowledgments](#)

[Introduction](#)

[Part I: The Problem: How Did We Get Here?](#)

[Chapter 1: Moving Out of the Dark Ages](#)

[The Threat of Digital Disruption](#)

[The Enlightened Age of Data](#)

[Notes](#)

[Chapter 2: Why Is Marketing Antiquated?](#)

[Tactical \(versus Strategic\) Marketing](#)

[Manual Marketing Management](#)

[Silos of Data and Demand for Real-time Engagement](#)

[Communicating the Value of Marketing](#)

[Lack of Talent and Training](#)

[Fragmented and Often Missing Data](#)

[Notes](#)

[Chapter 3: The Data Hairball](#)

[What Is the Data Hairball?](#)

[The Data Hairball and the Customer Experience](#)

[Blending Art and Science](#)

[Integrated Marketing, Really](#)

[Data Privacy and Security](#)

[Notes](#)

[Part II: Get Ready for Big Data Marketing](#)

[Chapter 4: Definitions for the Real World of Big Data Marketing](#)

[Big Data Terminology](#)

[Big Data Marketing](#)

[Integrated Marketing Management \(IMM\)](#)

[Marketing Operations Management](#)

[Customer Interaction Management](#)

[Digital Messaging](#)

[Digital Marketing](#)

[Notes](#)

[Chapter 5: Meet the Modern Marketing Department \(Michelangelo Meets Einstein\)](#)

[The CMO as a Change Agent](#)

[The Data Scientist](#)

[The CMO and CIO Dynamic](#)

[Notes](#)

[Part III: The Five Steps to Data-Driven Marketing and Big Data Insights](#)

[Chapter 6: Step One: Get Smart, Get Strategic](#)

[Vision Leads to Strategy](#)

[Customer Interaction Strategy](#)

[Analytics Strategy](#)

[Data Strategy](#)

[Organizational Strategy](#)

[Technology Strategy](#)

[Notes](#)

[Chapter 7: Step Two: Tear Down the Silos](#)

[Tearing Down Silos Internal to Marketing](#)

[Tearing Down Silos between Marketing and Other Lines of Business](#)

[Developing a Strategic Framework for Synergy](#)

[New Best Friends: The CMO and the CIO](#)

[Notes](#)

[Chapter 8: Step Three: Untangle the Data Hairball](#)

[Start with Talent](#)

[Silos Can Threaten Big Data Strategy](#)

[Data Strategy](#)

[Discovering Big Data](#)

[Big Data Insights Combat Churn for US Telecommunications](#)

[Provider](#)

[Notes](#)

[Chapter 9: Step Four: Make Metrics Your Mantra](#)

[Use Metrics to Measure Outcomes](#)

[Lessons Learned from Cost per Lead](#)

[Part I: The ROI versus ROMI Debate](#)

[Part II: The ROI versus ROMMI Debate](#)

[Metrics Are the Cornerstone of Accountability](#)

[Metrics Improve Buy-In and Alignment](#)

[Reasons for Misalignment](#)

[Notes](#)

[Chapter 10: Step Five: Process Is the New Black](#)

[Process Is One of Marketing's New Four P's](#)

[Integrated Marketing Processes Accelerate Results](#)

[Concept to Campaign to Cash](#)

[Process Innovation at a Global IT Services Company](#)

[Agile Marketing](#)

[Notes](#)

[Part IV: Realizing the Value of Big Data Marketing](#)

[Chapter 11: Drive Value through Relevant Marketing](#)

[Internal Value through Integrating Marketing](#)

[External Value through Integrating Marketing](#)

[Notes](#)

[Chapter 12: The Bright, Enlightened World of Customer Experience](#)

[The People Marketing Challenge](#)

[The People Marketing Opportunity](#)

[The Mobile Marketing Challenge](#)

[The Mobile Marketing Opportunity](#)

[The Information Management Marketing Challenge](#)

[The Information Marketing Opportunity](#)

[The Big Data Marketing Challenge](#)

[The Big Data Marketing Opportunity](#)

[Notes](#)

[Resources](#)

[About the Author](#)

[Index](#)

BIG DATA MARKETING

**ENGAGE YOUR CUSTOMERS
MORE EFFECTIVELY
AND DRIVE VALUE**

LISA ARTHUR

WILEY

Cover image: Studio 504/Getty Images

Cover design: Paul McCarthy

Copyright © 2013 by Lisa Arthur. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600, or on the web at www.copyright.com. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at www.wiley.com/go/permissions.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with the respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor the author shall be liable for damages arising herefrom.

For general information about our other products and services, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993, fax (317) 572-4002.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit www.wiley.com.

ISBN: 978-1-118-73389-9 (cloth)

ISBN: 978-1-118-73402-5 (ebk)

ISBN: 978-1-118-73405-6 (ebk)

For my love, my muse, and my true north, Michael Bloom.

For my butterfly mom, Betty Burris.

Foreword

Why did you get into marketing? I am guessing that it's not because you had a burning desire to refine propensity models until the wee hours of the morning, or to wrestle with integrating social media comments with web clickstream data. But those are exactly the kinds of activities that make marketing great these days. The function is undergoing a dramatic transformation toward a world of data-driven decisions that this book describes in detail. You may have gravitated toward marketing because it's one of the most creative areas of business, and you still need to possess that attribute to succeed. But creativity is increasingly judged not only in the human imagination, but also in clickthrough rates, conversions, and lift.

Marketing is not, of course, the only area of business undergoing this transformation. Few people enter the retail industry because they have a fascination with point-of-sale data, and few baseball fans want to work for a team so they can compute its Pythagorean winning percentage. The world in general is becoming more data-driven, and the change in marketing is only one example of the overall shift.

However, as Lisa Arthur details in the chapters that follow, the change in marketing is especially dramatic. In little more than a decade, the function has gone from emphasizing pretty pictures and catchy phrases to one that captures, integrates, and analyzes data of all types. Needless to say, many marketers—and the managers outside the function who relate to marketers—are not quite prepared for this transformation. They've heard the noise about data-driven marketing, but they're hoping they can retire before they really have to change their entire orientation.

But unless they're well into their sixties, retirement won't help much. Every day, marketing assets become increasingly digitized. Every day, more information about customers' preferences and behaviors becomes available. Every day, the opportunity cost of not pursuing data-driven marketing piles up.

There is both an organizational and an individual imperative for reading this book, internalizing its lessons, and continuing the pursuit of data-driven marketing. At the organizational level, some group of people needs to take the lead within companies in moving toward a data and analytics-focused culture. Marketing, as the function most impacted by the rise of data—and as the most frequent gatherer and user of customer data—is in an excellent position to take the lead and to lead by example. If marketing can target customer promotions, understand the attribution of digital media sales, and segment to markets of one, the rest of the organization can't help but move in the same data-driven direction.

If marketing takes the lead in this regard, it can also seize an opportunity to take primary responsibility for managing customer interaction data. As you probably realize, marketing is not the only customer-oriented function in most organizations. It shares that responsibility with sales and customer service. My view is that over the next several years, organizations will feel the need to clarify who is really responsible for customer information. If marketing groups can demonstrate that they are adept at managing and using customer information—and making the data accessible to other organizations that need it—there's a good chance that marketing will get the role for the entire organization.

Of course, in order to do that successfully, marketing will need to step up its professionalism in data management. As Arthur points out, that means discipline, a process orientation, and lots of work on

data integration. These are not generally traits that are traditionally associated with marketing, so some changes need to be made. Arthur refers to the prediction by Gartner that by the year 2011 marketing organizations will spend more on technology than IT organizations. I am not sure the prediction will come true (and even less sure it will happen on this date), but if it's even close, marketing data management will have to adopt some of the same approaches to data hygiene (security, backup, version control, and so forth) that IT organizations have employed for decades.

There is some irony in the move by marketing into professionally managed information and technology. Over the years, marketers have frequently been guilty of a “renegade” approach to IT. Instead of working with the IT function to create a professional approach to data management, marketers often tried to evade scrutiny by acquiring technology and managing complex data environments on their own. The marketers in question may well have gotten their database up and analyzed their social media sentiments more quickly and inexpensively. However, this renegade approach has led to fragmented and siloed customer data, as well as some inefficiencies in technology architecture and platform management.

Going forward, it's not that marketing will replace IT in the professional management of data, but it will collaborate with it. Indeed, one organization—Arthur's own firm, Teradata—recently combined the jobs of chief marketing officer (CMO) and chief information officer (CIO). Perhaps we will see more such combinations, but in any case we will certainly need to see collaboration. Whenever I meet CMOs who don't work closely with their companies' CIOs, I consider shorting their stock. I can't imagine the companies will be successful if marketing and IT don't get along.

At the individual level, it's now clear that marketers at every level need to embrace technology and data as key elements of their professional portfolios. Everyone needs to know something; some need to know a lot. Every individual marketer needs to stake out a position on the continuum that has traditional, creative, intuitive marketing on one end (a position that is no longer tenable by itself), and hard-core digital data management on the other. If you're on the extreme data-oriented end, you may not look much different from a traditional IT person, although you will happen to specialize in managing customer-oriented data.

Some marketers will need to go back for formal schooling to develop this expertise; others can go by, as Arthur notes, with internal skill development programs within companies. Highly self-motivated individuals may even be able to acquire the needed knowledge by studying the voluminous amount of online information on this topic. Whatever means you choose, acquiring this sort of knowledge takes hard work.

And in marketing, the work to keep up with expanding IT and big data knowledge won't stop for the foreseeable future. It's great that you are reading this book, and Arthur will have provided you with a solid foundation for big data marketing by the time you reach its end. However, the world of data-driven marketing is changing at a dramatic pace. New channels to the customer, new application categories, new types of data to exploit, and new vendors and offerings emerge all the time. To be successful in data-driven marketing, you'll have to become a student of this domain for the rest of your career.

This may seem daunting, but try to look at it as a fantastic time to be in this profession. What could be more stimulating than being in a part of business where the foundations are being shaken on a daily basis? Where better to be than in the vanguard of this change? Wouldn't you prefer to be a leader of this transformation than to be led by someone else? In short, it's a wonderful time to be a data-driven marketer if you like change, excitement, and new ideas. And if you don't like those things, marketing

probably isn't the best place for you anyway!

—Thomas H. Davenport

Acknowledgments

First, I'd like to acknowledge you, the reader of this book. Thank you for helping eliminate the hype and mystery from big data and data-driven marketing. Since all profits from the sale of this book will be donated to the American Red Cross, I am also sincerely grateful for your purchase. The American Red Cross is an organization passionate about its donors and the lives they save, and I am extremely proud that together we're contributing to the success of that mission.

I'd also like to say thank you to all the marketers I've met and shared stories with over the years. You inspired me to write this book, as we stand at the dawn of the Enlightened Age of Data. Let's keep talking and working together to elevate our teams and how we engage with customers; then, the rest will be history, as the saying goes.

I owe infinite gratitude and professional kudos to two brilliant women who came together with me to complete this project. Kathy Siranosian, you are an amazing partner in crime. This book would still be an outline and a dream if it weren't for your positive spirit, your tireless contributions, and your talent in translating my stories into compelling chapters. Applause and crowd noise also go to Kelli Jones, who researched and wrote case studies under extreme deadlines and continually contributed a fresh perspective. Thank you, content mavens, both your names should be alongside mine on the jacket. Another shout-out goes to Paige O'Neill, who helped outline the book, Christy Uher-Ferguson for her early reviews and feedback, and Mary Gros for helping secure the best thought leaders on there! What a powerful team of women and brainpower we have!

A *big thank-you* goes out to Teradata Corporation. Darryl McDonald, the president of Teradata Applications, and my manager, never blinked an eye when I asked to write this book while working as our chief marketing officer. Additional big thanks to Bill Franks, Ed Dupee, Gerald Hardister, David Scwheer, Lauren Ames, Dana Chamberlain, Wes Moore, Sherri Morgan, John Sawyer, Katherine Knowles, Tina Watkins, and Julyn Farrington, who all helped make this book happen. Even though there were many nights and weekends when I wondered if I was crazy for attempting this project on such a short deadline, I knew I had the backing and support of the Teradata team.

I'd be remiss if I didn't thank my Wiley editors, Adrianna Johnson and Christine Moore. Adrianna, you have been a beacon of light managing this process, a first time for me. Above and beyond navigating the publishing world, both you and Christine provided insightful edits and guidance to help my words truly resonate. Thank you and everyone at Wiley for such a robust and productive partnership.

To the strong women in my life, I wouldn't be here without you. To my mother, Betty Burris, my sister, Rebecca Davis, and my former executive coach, Debi Mueller: Thank you for all your love, wisdom, and support. Likewise, a sincere thank-you to my brother, Bob Burris, and adopted brother, Lee Zeidman, who taught me how to be me in a man's world.

Finally, I count myself the luckiest woman in the world to share my life and passions with my husband, partner, and writing inspiration, Michael Bloom. Michael, a writer as well, continues to be my secret weapon professionally, as well as a source of ideation—and extraordinary coffee—when I need fuel to keep going. Thanks, my love, for your brutal honesty, your laser insight, and your understanding, even when my Eric Clapton T-shirt (which I frequently wear when I write) stayed on just a little bit too long! Michael, you are a true and equal partner. I wouldn't be able to do what I do without you.

Introduction

Big data. I've been a marketer since 1984, and never have there been two words that cause more anguish in the C-suite. Over the years, I've seen corporate leaders execute masterful acquisition, heroic management of budget cuts, aggressive staffing reductions, and other feats of strength. They seem to take most business hurdles more or less in stride, but mention the words *big data*, and the conversation changes. Every member of the C-suite agrees big data is an issue that needs immediate attention. The problem is, very few know what to do about it, and, of course, that indecision just adds to the anxiety. As companies put off formulating their plans, the data continues to stream in, creating massive tangles of information, processes, and applications. The knot grows. Insights and value get buried in all the chaos. Stomachs begin to ache. And no one wants to admit they're falling farther and farther behind.

I want to change that dynamic, and I wrote this book because it's time to open up the conversation about big data. As uncomfortable as it may be, we need to start discussing big data—the good, the bad, and the ugly—without hype, without sales pitches, and without fear. Today's business leaders need to roll up their sleeves and confront the challenge of big data head-on, but in order to do so, they must first have a clear view of the task ahead of them. I truly believe that kind of clarity can only be achieved through honest, real-world dialogue. That's why this book isn't filled with complex mathematical models and lists of confusing statistics. Instead, I chose to focus on what I've discovered as a marketer who's coming of age in the era of big data marketing. I wrote about my mistakes and successes, as well as the triumphs of those I have had the pleasure to learn from along the way. You'll find page after page of practical advice about how to drive the changes required to begin reaping the benefits of big data insights.

If you want your business to move forward, if you're tired of all the sensationalism and hype, if you're ready to ease that knot in your stomach, you've come to the right place. Turn the page. Let's start the conversation.

Part I

The Problem

How Did We Get Here?

Chapter 1

Moving Out of the Dark Ages

More and more, the C-suite feels like a goat rodeo, a chaotic arena of business executives talking over and past one another. In fact, this pandemonium of different agenda and perceptions is now the spectator sport characterizing the Dark Ages of business. Even worse, it often takes only two of us to get the rodeo started.

I've seen this firsthand. One afternoon, while I was working as a chief marketing officer (CMO) at a Silicon Valley technology start-up, I seized the opportunity to talk to the CEO about how we could improve our demand creation and solution adoption. After briefly explaining that more resources would help us segment our market and buyers, I began to lay out my strategy for developing differentiated content and engagement strategies for each unique persona, but, just as I was hitting my stride, the CEO interrupted me.

He was operationally focused, and already, he had heard enough. He looked me straight in the eye and said, “We don't need to segment the market,” he said. “We just need to market.”

Instantly, I knew I had failed. I hadn't effectively communicated *why* improving connections and conversations with customers and prospects would add value to the business. Clearly, the CEO didn't understand that messages and offers targeted to different buying personas would yield more eyeballs, more conversions to free trials, and ultimately, more paid subscriptions of software. And since I couldn't provide quantitative proof of the returns from my suggested plan, he certainly wasn't willing to devote any more resources. I knew we needed to invest in data analysis to better understand the market and advance our overall strategy and marketing techniques, but, to this CEO, that request was out of the question.

At the time, I was frustrated. Why didn't he *get it*? Worse, I wasn't sure how—and even *if*—I could help him understand.

Unfortunately, clashes and fly-bys like this happen every day in C-suites and boardrooms around the globe. They're all too common, and they're indicative of the chasm now separating marketing from the rest of the enterprise. On one side, there are the marketers who understand the intrinsic value of heightened customer engagement. On the other, there are the C-level execs who need to secure funding, drive change, and ease the organization's growing pains—the very aches caused by fragmented data, fragmented systems, and disconnected interaction channels.

Of course, marketers have been envisioning one-to-one relationships with customers for decades. They've always been the consumers' champions, advocating within the C-suite not only for better customer service and support, but also for product developments. When *The One to One Future*, a book by Don Peppers and Martha Rogers, was first published in 1993, it captivated the industry by focusing on the individual customer rather than the market as a whole. This book became the marketer's bible, inspiring new customer relationship strategies and insights into ways to better engage through true one-to-one experiences.

Since then, however, marketers have struggled to make the relevant, targeted, and value-based conversations they have promised real for most brands and their buyers. Even though consumers are

clamoring for a more modern approach, the majority of companies continue to deliver just the opposite. From my perspective, that's no surprise. Outdated, ineffective, and ad hoc internal marketing processes, coupled with fragmented and missing data, can only lead to flat, one-size-fits-all messaging and interactions. And these lackluster experiences, in turn, are creating another gap, one that's particularly perilous because it separates brands from their customers at a time when consumer patience is growing thin. How much wider will these chasms grow? How much longer can we stand on the edge of the cliff, secretly hoping the disconnects will somehow resolve themselves?

The Threat of Digital Disruption

We can't wait anymore. A new vision of customer engagement, one that's grounded in personalized, relevant, and consistent communication, must materialize. I'm not talking about simply segmenting markets and targeting messages. I'm appealing to brands to begin true one-to-one interactions with their buyers and prospects. We must market like we communicate in our everyday lives, as one individual to another, as well as to groups or segments. We have to embrace a two-pronged approach that drives highly relevant, individualized engagements, while also leveraging broader segmentation when it is cost effective and *good enough*. We have to imagine how a personalized experience with our brand, product, or service will benefit and add value to our customers. We have to build the experience, and we have to deliver it—*now*.

Why the urgency? Because companies are facing continued consumer pressure to step-up with compelling experiences *now*—before the competition does—and because today, digital disruption threatens virtually all business models, physical products, and value chain relationships. But what exactly is digital disruption?

Just like most of you, I've been trying to wrap my head around the concept. It's multifaceted, all-encompassing, and difficult to distill into a single sound bite. But, I'll do my best to explain. Here's my definition of digital disruption and what it means to business today: Just as the word “disruption” describes throwing convention into confusion, “digital disruption” describes how technology and data are changing our culture, throwing communication and the physical world of processes and goods into disorder, across all industries.

Every board, every CEO, every CMO—essentially every business executive I talk to—dreads the threat of digital disruption. I've even heard some Fortune 100 executives say they avoid using the term “disruption” when trying to drive change within their companies because the word alone ends up instilling fear rather than motivation.

But, won't validating this fear by ignoring digital disruption cause even more damage? Yes, it will.

As author and business advisor Shelly Palmer told me, no matter what business you're in, your company needs to think strategically about digital disruption. Its impact can be felt everywhere—business-to-business (B2B), business-to-consumer (B2C), supply side, demand side—no business can escape the relentless pace of technological change.¹ According to Palmer, who wrote *Digital Wisdom: Thought Leadership for a Connected World*, companies need to fail fast, fail cheap, and iterate. Long planning cycles have a place, but given the speed that information travels and the dramatic changes in consumer behaviors empowered by technology, an annual or even quarterly review of strategy and execution may be too stagnant. Companies must adopt more flexible and iterative approaches to planning because, as Palmer points out, “the rate of technological change will never be slower than it is today.”

In other words, we are entering uncharted waters. “It took 30 years to connect the first two billion people to the Internet; it will take about eight years to connect the next two billion,” Palmer said. “This unprecedented level of connectivity will empower new consumer behaviors. Companies and their leaders must adapt, or die!”

Where is digital disruption taking us? The answer will vary from sector to sector. As of this year, 3D printers can produce a pair of designer sunglasses, an electric guitar body, and even human tissue. This simple example illustrates digital disruption within the manufacturing and durable goods industry where we are moving away from mass production into personalized reproduction. In financial services, digital upstarts and smartphones are challenging the future of banking relationships. Retailers are also navigating disruption as the focus moves from online-only retailers to the impact of omnichannel commerce and the accelerating role of mobile commerce. While some business leaders look to other industries to understand digital disruption, most are wrestling with their own business model threats. Think about it: As consumer power grows, not only are customers controlling the market conversation; they're bound to demand more control of their personal data, as well. The companies that thrive will be the ones that deliver value by building individual relationships with buyers based on trust and shared experiences. Digital disruption will connect business and consumers in new ways, and the winning companies will be the ones that scale the ability to transact with the individual.

Clearly, it's time for all of us—especially marketers—to move past the fear so we can confront digital disruption head on. Why especially marketers? Because marketing has been affected most by the explosion of digital channels and changes to consumer behavior. Plus, marketers are among those who stand to benefit the most from understanding the customer better through data analysis.

After all, digital disruption is not, by definition, a negative occurrence; it is a phenomenon that forces change. Companies can use digital disruption as the imperative to engage customers differently with more personalized, tailored, and data-driven messages across all points of interaction.

The Enlightened Age of Data

How is your company reacting to digital disruption? Do you agree that the C-suite needs to move from the Dark Ages into an Enlightened Age of Data? Do you believe as I do that marketing needs to lead the way? As I mentioned earlier, marketers have long been the voice of customers within the enterprise, and now CEOs and the rest of the C-suite are counting on marketing to find new sources of revenue and differentiation through more compelling customer engagement and experiences. How should marketers respond?

Marketers must respond by using, leveraging, and applying *data*: Data from customers. Data from prospects. Data from warehouses. Partner data. Sensor data from durable goods. Competitive data. Internal data. External data. All of these data insights can be leveraged to create a competitive advantage. First, companies need to create more holistic views of their data. Then, they need to analyze that information for actionable insights. Finally, they need to put the processes and tools in place that enable them to execute based on those insights.

The bottom line? Marketing needs to be data driven. Let me be more precise. I define data-driven marketing as collecting, analyzing, and executing on insights from structured and multi-structured data (that is, big data) across the enterprise to drive customer engagement. Data-driven marketing is the engine behind improved marketing results, and it creates measurable internal accountability

marketers become more effective in planning, executing, and proving the value of their work.

And keep in mind: Using data to guide and inform does more than engage current customers. Data-driven marketing techniques also capture new customers. In 2011, the Information Technology Services Marketing Association's (ITSMA's) survey results showed that 82 percent of data-savvy marketers report greater market share² when using insights to drive marketing. That's proof that more targeted, relevant experiences pay off. Teradata Corporation found similar results in its 2013 survey of more than 1,000 marketers globally. The report, *Global Teradata Data-Driven Marketing Survey 2013*, concludes that six out of ten marketers (58 percent) believe that a data-driven marketing approach helps them make better decisions.³ (The complete report is available as a supplemental resource to this book at www.teradata.com/big-data-marketing or www.bigdatamarketingbook.com.) [Figure 1.1](#) shows how data-driven marketing impacts the overall field of marketing.

Figure 1.1 Benefits of Using Data in Making Decisions

Source: © 2013 “Teradata Data-Driven Marketing Survey, Global” Teradata Corporation.



Kelly Cook, Senior Vice President of Marketing at Designer Shoe Warehouse (DSW), has seen this happen. When her team needed to reinvigorate the DSW brand and drive growth for shareholders, Cook led a data-driven process to chart the consumer journey and deliver more personalized experiences in campaigns, offers, and messages.

“You need a fully integrated strategy being championed from the top of the house,” Cook told *Teradata Magazine*. “Then it's just a matter of prioritizing all the things you need to do because, believe me, customers have no problem telling you everything you could do better. Knowing what you need to do for customers allows you to understand what data is needed, so you'll know what to attack first.”⁴

I believe all marketers must be open to this kind of reorientation. We're in the midst of a renaissance, of sorts, because a cultural shift is necessary to unify, understand, and leverage the enterprise and big data insights needed to drive more compelling, relevant customer engagement across all channels in real-time.

Of course, that's not to say that finding traction amidst all the disruption will be effortless, or even easy. Historians tell us that the Renaissance was a period characterized by inquiry, creativity, and growth juxtaposed with misunderstanding—and even fear—of innovators and their new points of view. I fully expect to see similar dynamics shape the Enlightened Age of Data, as the function of marketing continues to mature. During this renaissance, we're all bound to face skepticism from other smart and seasoned business leaders. Difficult new questions will force us to rethink the very ways we

work to build our brands.

Before we move further ahead into the Enlightened Age of Data, let's take a closer look at what has been holding us back.

KEY TERMS

Data-driven marketing: Data-driven marketing is collecting, analyzing, and executing on insights from structured and multi-structured data (for example, big data) across the enterprise to drive customer engagement. Data-driven marketing is the engine behind improved marketing results and creates measurable internal accountability as marketers become more effective in planning, executing, and proving the value of marketing.

Digital disruption: The word “disruption” describes throwing convention into confusion, and “digital disruption” describes how technology and data are changing our culture, throwing communication and the physical world of processes and goods into disorder, across all industries.

Big data: Big data is composed of digital information, including unstructured and multi-structured data, often derived from interactions between people and machines such as web applications, social networks, genomics, and sensors. Big data is a continuous stream of information conducive for ongoing discovery and analysis. Industry leaders, like the global analyst firm Gartner⁵, use adjectives like “velocity, and variety” as a way to frame the big data discussion.

DOs and DON'Ts

Recognize that the world has changed, and therefore the expectations of marketing have changed. For example, social media is here to stay, mobile is exploding in importance, and customers are savvy, smart, and in control.

Learn to leverage tension in the C-suite to inspire change. Healthy tension can identify the obstacles to charting a new course and help you discover better ways to approach old problems. Avoid adding to the goat-rodeo dynamic. Instead, use the debates to build buy-in and alignment.

Commit to moving from the Dark Ages into the Enlightened Age of Data. Embrace the journey to a data-driven marketing organization, one that directs programs and spend with insights based on real-time market response. Then, develop a simple plan to move forward.

Don't assume digital disruption is someone else's problem. Engage in active dialogue across your business, get customer insights now, and begin defining a future state and the key success factors you need to get there. Be the leader driving the data-driven marketing culture. This change can't be delegated. Define a vision and get the help you need to turn it into strategies for your business that drive more value.

Don't boil the ocean. Start with small steps and evolve. I've seen too many projects get sidelined by visions that are too big, coupled with steps that are too complex. Maintain a big and compelling vision, but identify low-hanging fruit for individual projects. For example, decide to increase revenue through better relationship marketing, and then identify the key initiatives that will deliver results.

Don't stagnate. Many projects in marketing are currently self-funded and, due to budget cuts and competing priorities, these initiatives often limp along. Complicating matters even more, it takes time to build credibility among the internal cynics needed to support certain projects. Put focus and resources behind strategic customer engagement projects. Then, staff these initiatives with people who can build relationships. You'll need to leverage expertise and manpower from all parts of the company (not just marketing) to create alignment and move forward.

Notes

¹ Palmer, Shelly. *Digital Wisdom: Thought Leadership for a Connected World*. Stamford: York House, 2013.

² Schwartz, Julie. "ITSMA's 2011 Online Survey on Data Driven Marketing," April 28, 2011. Online reference. <http://www.itsma.com/research/data-driven-survey-2011/>.

³ Teradata Corporation. 2013 Teradata Data-Driven Marketing Survey, Global. August 5, 2013. Research report, <http://www.teradata.com/data-driven-marketing/market-research-results-2013/>.

⁴ *Teradata Magazine* online. "Case Study: DSW: If the Shoe Fits, Sell It!," 2012. Online reference. <http://www.teradatamagazine.com/v12n02/Features/If-the-Shoe-Fits,-Sell-It!/>.

⁵ Laney, Doug. *Meta Delta Application Delivery Strategies*. "3D Data Management: Controlling

Data Volume, Velocity, and Variety.” January 2012. Online reference.

<http://blogs.gartner.com/doug-laney/files/2012/01/ad949-3D-Data-Management-Controlling-Data-Volume-Velocity-and-Variety.pdf>.

Chapter 2

Why Is Marketing Antiquated?

External forces, like the digital disruption I discussed in Chapter 1, aren't the only factors keeping marketers in the Dark Ages. When I talk to marketers one on one or speak with a roomful of business executives, I also hear about a wide range of internal obstacles that prevent companies from leveraging big data insights and developing more personal customer engagement strategies.

Though the details can vary widely, the most common challenges these organizations face include: lack of collaboration across departments, mercurial market and consumer behaviors, turf wars over customer data ownership, ad hoc processes, declining or stagnant budgets, overspecialized functions, and proliferating channels. These problems are spun from years of ever-changing marketing leadership and a shift in buying practices caused by a variety of factors, most notably, the Internet, mobile devices, social networks, and a global marketplace that is now always on and constantly connected.

Why has marketing lost pace to these challenges? Because in many instances, marketers are unable to clear at least one (and usually more) of these six stubborn hurdles:

- Tactical (versus strategic) marketing
- Manual marketing management
- Silos of data and demand for real-time engagement
- Communicating the value of marketing
- Lack of talent/training
- Fragmented and often missing data

Let's discuss each of these hurdles so you can better understand why it's so difficult for marketing to emerge from the Dark Ages.

Tactical (versus Strategic) Marketing

In many firms, the marketing function is purely tactical. Often, business-to-business (B2B) marketers are focused on supporting sales with lead generation, internal slide development, and content creation for sales-enablement tools. In other companies, marketers are considered the “arts and crafts” department, and their main deliverables are websites and those tedious PowerPoint templates.

By contrast, in forward-thinking firms, a completely different dynamic has taken root. In these companies, the marketing function has evolved from tactical to *strategic*. Here, marketing drives the product and services roadmap, designs the buyers' journey, and essentially, directs the business. Of course, to take on this strategic role, marketers have to embrace an approach that uses data and insights to inform decisions. These firms recognize marketing as a new strategic opportunity and realize it's the foundation for the entire company's success.

Why? Because when marketers shift from tactical to strategic roles, they're empowered to become customer-centric. Guided by this new focus, they start charting the course to innovation and propelling

- [download Angel Capital: How to Raise Early-Stage Private Equity Financing \(Wiley Finance\) pdf, azw \(kindle\), epub](#)
- [From Gutenberg to Zuckerberg: Disruptive Innovation in the Age of the Internet here](#)
- [click Core Clinical Cases in Medicine and Medical Specialties \(2nd Edition\)](#)
- **Black Lies pdf**
- [Homestyle Chinese Cooking pdf, azw \(kindle\)](#)

- <http://qolorea.com/library/The-Blind-Assassin--A-Novel.pdf>
- <http://www.shreesaiexport.com/library/Cold-Steal--Officer-Gunnhilder--Book-4-.pdf>
- <http://omarnajmi.com/library/The-Best-of-Uncle-John-s-Bathroom-Reader.pdf>
- <http://deltaphenomics.nl/?library/Black-Lies.pdf>
- <http://deltaphenomics.nl/?library/Homestyle-Chinese-Cooking.pdf>