Predictive Analytics in Marketing
(What’s the big problem?)
BECKON: Marketing Performance Management Platform

- A single home for all of your metric data
- Built for marketers
- Automation gets the data in, clean, and keeps it flowing
- Self-service interface for asking questions of your data
A business advantage for world-class marketers
Predictive analytics in marketing is a big data problem!
Predictive analytics in marketing is a big data problem?
Big data is like teenage sex,
Everyone talks about it,
Nobody really knows how to do it,
Everyone thinks everyone else is doing it,
So everyone claims they are doing it!

Dan Ariely
Why are there so few finance people struggling with big data?
They have lots of messy data!
True. Marketers have a particularly messy data problem.
OMNICHANNEL REPORTING IS A MESS
What are marketing’s strategies for coping?
Strategy 1: Cut and Paste

The frantic, last minute all-nighter cut and paste session

Time consuming, inefficient, inconsistent, manual-processing
Strategy 2: Just Report What’s Easy

10,000 followers!

No context, limited usefulness
Strategy 3: Outsource it to IT

IT cannot do it all! They have plenty of other “more important” things to be doing...
Strategy 4: Outsource it to your agency

Agencies should not be grading themselves...
Strategy 5: Data Spelunking

The recreational pastime of exploring deep, dark, unknown cave systems
Marketing data spelunking

data lake + Business + Data EXPLORATION VISUALIZATION tools
Put your receipts in the slot in the door.
Strategy 5: Data Spelunking

The recreational pastime of exploring deep, dark, unknown cave systems can be very useful, but is time consuming and is not efficient for data management and reporting.
None of these strategies are working

IN SURVEY OF CMOS, PERCENT OF MARKETING PROJECTS LEVERAGING MARKETING ANALYTICS

37%  35%  30%  29%
Feb-12 Aug-12 Feb-13 Aug-13

Source: The Feb 2014 CMO Survey sponsored by Duke Fuqua School of Business and The American Marketing Association
Why are these strategies not working?
What complexities or challenges are you facing relative to the use of new marketing technologies?

- 54% Integrating and centralizing increasingly fragmented data
- 48% Figuring out what to select and how to integrate
- 48% Having sufficient talent and resources to run applications
- 46% Prioritizing and selecting the right solutions
- 39% Making a business case for marketing technology spend
- 34% Dealing with the diversity of new choices and channels
- 26% Getting marketers trained and using new technologies
- 5% Other

CMO Council Unify Survey, Aug 2014
This looks pretty

20%

• Visualizations
• Dashboards
• Analysis
• Insight

This will sink you

80%

• Data Silos
• “Trapped” Data
• Formats
• Dirty Data
• No Standards
• Taxonomy
• Manual Efforts
If you’re not thinking about how to keep your data clean from the very beginning, you’re f****d. I guarantee it.

DJ Patel – Chief Data Scientist of the USA (former RelatelIQ)
How is finance doing it?
1. All the data in one single system

Unite your data once and for all.
2. Store just the data that matters

It's OK to leave some stuff on the cutting room floor.
3. Clean up the mess on the way in

Apply consistent taxonomy for instant visibility later.

Marketing needs a ‘chart of accounts’
4. Standard definitions

Come up with your own standard definitions of things. Make sure you can at least benchmark yourself.
5. Consistent KPIs, Standard Reports
6. Automate Collection

Automate the collection, cleansing, normalization, enhancement, and availability
<table>
<thead>
<tr>
<th></th>
<th>AWARENESS</th>
<th>ENGAGEMENT</th>
<th>DECISION</th>
<th>ADOPTION</th>
<th>ADVOCACY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate Impressions</td>
<td>1.8B (TARGET 2B)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate Engagement Rate</td>
<td>8% (TARGET 6%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units Sold</td>
<td>16.1M (TARGET 18M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention Rate</td>
<td>79% (TARGET 82%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPS</td>
<td>+52 (TARGET +50)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awareness</td>
<td>81%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Engagements</td>
<td>16.9M (TARGET 18.8M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Revenue</td>
<td>$282M (TARGET $253.8M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention Rate</td>
<td>92%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sentiment</td>
<td>350 (TARGET 500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branded Keyword Searches</td>
<td>41K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Per Engagement</td>
<td>$8.52 (TARGET $3.00)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likely to Buy</td>
<td>68% (TARGET 65%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTV</td>
<td>$2.4K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Per Impression</td>
<td>4.2 (TARGET $3.4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-Store Traffic</td>
<td>.32%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return Rate</td>
<td>1.9% (TARGET 1.5%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of Voice</td>
<td>23%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consideration</td>
<td>44%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Transaction Value</td>
<td>$48</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive Buzz (%)</td>
<td>13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Star Rating</td>
<td>4.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Everyone has figured this out but marketing

- Central data repository
- Structure on the way in
- Consistent taxonomy
- Normalized definitions
- Consistent KPIs and reporting
More upfront work, but huge benefits

- Near real-time visibility
- Apples-to-apples comparisons
- Benchmarking
- Basis for modeling
- Self-serve
And it’s also the way to help marketing
This is a JOURNEY!

1. Siloed Reporting
   - No integrated visibility

   - Using data to describe the past

3. Automated Integrated Reporting
   - Using data to act

4. Planning
   - Using data to set goals

5. Modeling
   - Using data to predict

Most marketers are here
So let’s clean up the mess!