

## **Data-Driven Marketing Is The New Imperative**

*By Lorraine Barber-Miller*

Marketers have always had the mission for building brands, creating demand, advancing sales and helping their companies earn customers' loyalty. In the past decade, how marketers engage customers and what they do to drive advocacy has changed almost beyond recognition. Strategies based on intuition and engagement techniques that were once cutting-edge are fast becoming obsolete, with new methods emerging every day.

Marketing is rapidly becoming one of the most technology-dependent functions in the business. In 2012, Gartner predicted that by 2017, a company's chief marketing officer would be spending more on technology than its chief information officer. As digital disruption empowers customers making them more demanding than ever before, a new marketing executive – part strategist, part creative director and part technologist – is emerging at the center of the transformation. Leading marketers are therefore, forging new relationships across the C-suite, IT, sales, finance, and other functions in their pursuit to gain competitive advantage by uncovering customer insights from across the entire enterprise.

Digital marketing and social media are generating exponential amounts of data. This combination of online and offline big data holds out the promise of an unprecedented flow of insights into customer needs and preferences. The challenge becomes how marketers turn data and analytics into business insights, and insights into lasting value for the organization. By activating advanced technologies, data and analytics, marketers have the ability to personalize customer experiences and accelerate ROI. Customers not only welcome personalized offers, they are increasingly expecting brands to sense and respond accordingly in real-time.

By employing data-driving marketing, marketers learn how to target and optimize their appeal to individual customers – including the identification and launch of compelling new products and services, entry into new categories and geographic markets, as well as delivery of signature, and personalized interactions. From branding through customer acquisition, to loyalty and advocacy, analytics can inform every phase of the customer relationship and journey consistently across touch points. By linking metrics to KPIs established by the business, analytics also provides intelligence and data-driven insight into marketing performance and establishes cycles of continuous improvement.

While new sources of data improve the science of marketing analytics, “art” retains an integral role; business judgment is needed to challenge or validate approaches, however creativity remains imperative in order to develop new ways of using data or to identify new opportunities for unlocking insights. Marketing professionals who have mastered both the art and science will prove to be in short supply and in increasingly high demand. Relative to human capital and building organizational capability, relentless change management and a shift in mindset across the enterprise are mandatory when navigating this uncharted corporate frontier.

Such challenges should not impede the use of data for better decision-making, provided marketers consider advanced analytical methods in order to establish the right marketing mix. Specifically, marketing mix modeling can be used to determine the effectiveness of spending by channel, coupled with attribution modeling to assign credit to online touch points and enable evaluation of the relative success of various online investment activities in driving sales. By fine-tuning the mix – at times, with real-time, in-process campaign modifications – companies can allocate their spending to initiatives that generate higher ROI.

The pressure on CMOs to demonstrate ROI from a diverse portfolio of marketing programs is only increasing. The data to make smarter decisions are available, as are the analytical tools. Grounding an organization's planning and execution in an integrated analytics approach is the key to uncovering meaningful insights and driving above-market growth for brands.

In upcoming articles, we will further detail some of the key concepts mentioned above including examples of insights and how they are applied across the business, talent requirements, change management and new operating models.

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**About the Author:** Lorraine Barber-Miller is an accomplished international sales, marketing and communications leader. Passionate about the customer experience, advancing the art and science of marketing, and establishing new businesses in global growth markets, Lorraine spans the globe evangelizing on modern marketing practices.

As CMO, IBM Central and Eastern Europe Growth Markets region and having previously established its brand presence and marketing capability across Central, Eastern Europe, Middle East and Africa, Lorraine has activated innovation and value creation across the entire enterprise in more than 100 countries. In her current role at IBM, she leads worldwide demand generation and client engagement, with accountability for designing and scaling personalized, data-driven client marketing strategies.