



A 12-Step Guide for Driving Marketing Action with Data

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Are you facing increasing pressure from your leadership team to justify your marketing decisions?

Most marketers can no longer afford to make decisions based on intuition or gut feel. Today, making good decisions requires data. Data and technology enable marketers to act and react.

Very few marketers would suggest that data is not essential to being more effective. And most organizations are not lacking data. Data is everywhere.

The real challenge is gathering, extracting, analyzing, and presenting data to drive decision-making and action.

Data-Driven Marketing Culture

Marketing organizations that leverage data to maximize their efforts and optimize their marketing investments are considered data-driven cultures.

Data-driven marketing organizations are able to act and react in a more agile manner, successfully attaining business goals and maximizing their efforts and marketing investments. Such organizations embrace data and have an analysis-action-oriented company culture.

Making Decisions Based on Data

Combining data and analysis helps marketing identify new customer segments that will deliver higher profits, current customers with the greatest value potential, and new products that will be the most relevant both to new and current customers.

Marketing can then act on that data by developing and implementing marketing initiatives that will have the greatest likelihood of success. They also use the data to measure the success of marketing initiatives, adjusting and optimizing strategy and programs to ensure achievement of goals.

To effectively leverage data for action, you need to be able to take the following five steps:

1. **Purposefully collect and analyze your data.** Purposeful data collection and analysis efforts focus on answering questions that are tied to identified needs and goals. Reward your team for analysis—not the mere collection of data.
2. **Establish a data infrastructure.** For data to be collected and used effectively, you will need people with analytical skills, access to the right tools, and data-storage technology. All three are key ingredients of your data infrastructure.
3. **Implement a process for collecting and using the data—and repeat the process regularly.** Data-driven marketing organizations recognize that they need to develop and maintain a process to support ongoing data cleansing, collection, and analysis. They use the process to help identify where and when adjustments may be needed.
4. **Collaborate with colleagues and their leadership team.** Data-driven marketing organizations recognize the value that their colleagues and leadership team bring to the process.

They engage their leadership team in the process as a way to facilitate communication and collaboration with those in Finance, Sales, Customer Service, IT, and others who may be needed to support the initiative.

Data-driven marketing organizations periodically review the data, infrastructure, and processes to ensure they have the right data in place to drive decisions and action.

5. **Focus on data that connects marketing to the business.** Most marketing organizations have more data than they know what to do with. To be effective takes selective focus, so focus on the specific types of data that will help you demonstrate and improve the value of marketing to the organization.

Ready to take the plunge? Here are seven more steps that every organization can take to become a data-driven marketing organization:

1. **Get C-level support** to make sure that the value of marketing data is accepted as a guide for both tactical and strategic decisions, and to ensure cross-functional collaboration for the collection of marketing data.
2. **Make sure you have quality data** by validating and cleansing it.
3. **Analyze and aggregate your data.** If necessary, engage your finance and sales colleagues in your data analysis.
4. **Invest and allocate resources to conduct marketing analytics.** Without marketing analytics, you cannot develop the necessary insights from the data.

Among the analytics you will want to perform are customer-profitability analysis,

customer-behavior analysis, customer-lifetime-value analysis, customer-retention/customer-attribution analysis, customer touch-point analysis, marketing-mix **modeling, and marketing-performance analysis.**

5. **Implement a data structure that unifies key data** among disparate systems and processes. Data silos inhibit insightful information that can be leveraged to optimize **marketing initiatives and strategies.**
6. **Develop and apply a repeatable process** to continue to collect and analyze new data to measure results and support continual improvement.
7. **Measure and report** on your progress and success.

Now you are ready to use data to drive action—to make better decisions regarding which marketing channels to pursue for which customers, to justify your marketing investments, and to measure your marketing performance.

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