Leveraging Actionable Customer Data for Revenue Growth

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Peter Drucker is attributed to having said, "the purpose of business is to create a customer." Delving deeper into what matters to your customers is the key to growing revenue. Focusing on the profitable sources of revenue takes ensuring your organization, especially your marketing team, has the data mining tools, customer research, marketing automation software, and the ability to perform customer analytics. As the CEO, you most likely expect your marketing organization to allocate its marketing dollars, people and time toward your most profitable channels and your most profitable customers.

Therefore you've probably have already chartered your marketing team to collect relevant customer-related information. But does your marketing organization have the ability to analyze this information in a way that provides your sales organization and leadership team with valuable insights into customer behavior? This capability requires that your marketing organization be able to perform customer analytics. Applying customer analytics methodologies to your customer information helps identify, attract and retain your best and most profitable customers. Customer analytics leverages customer behavior, trends, psychographic and demographic data to design more effective customer experiences and customer marketing. When done effectively, your organization can use the information derived from the customer analytics to strategically influence interactions with customers' and prospects.

How might your organization benefit from customer analytics? For example, if keeping customers over a specific time period and having them purchase particular products is important

to your profitability and return against the cost to acquire, you can use analytics to determine the components of customer lifetime value, the profitability of each customer, and the likelihood of attrition over a certain period of time. With this information your organization can develop a targeted retention strategy, cross-selling and/or up-selling programs, and leverage the desired communication channels in order to improve the lifetime value of customers. All of these initiatives fall into the domain of your marketing organization.

It takes a number of key elements to adequately deploy customer analytics so that your marketing organization can more effectively address customer and market opportunities. Your marketing organization will need the right people, , processes, data and technology. Organizations who make these investments and leverage customer analytics are better able to anticipate, influence and measure customer behavior.

For many organizations, data is one of the primary challenges they face when it comes to customer analytics. Often the required data exists in disparate non-integrated systems creating a number of issues. Top that off with the increase in the number of channels organizations have at their disposal today to reach customers, and the data challenge can quickly become overwhelming. Therefore before most organizations can perform customer analytics, they need to address their data.

Here are three steps you may want to make sure your marketing organization has address:

1. Clean customer data that is updated regularly. We live in a dynamic environment where change is constant and that goes for customer data. The quality of your customer data greatly affects the data analysis. Clean data is imperative to develop valid actionable insight that will improve marketing effectiveness.
2. A customer data management technology that serves as a centralized source for all customer data. As we've already noted, data is the lynchpin for justifying and optimizing marketing investments.
3. The integration of all your customer data into the customer data management system. Customer data exists in a number of disparate systems, such as your web analytics tool, your social media monitoring tool, customer feedback and surveys, and your marketing

campaign automation tool. It generally takes technology to collect, aggregate and integrate all of your customer data. But it is essential that all your data be integrated into one robust system.

Now you and your marketing organization will be able to answer these kinds of questions about your customers.

1. Who are your most profitable customers?
2. What do they buy?
3. What do they need?
4. What motivates them to buy?

Once you have all your customer data in a robust database, you can apply analytical methodology to the data to derive insights into your customers' behavior and preferences. Performing this type of analysis enables your organization to use data to create customized marketing initiatives and develop personalized marketing programs that will engage your prospects and customers. Performing customer analytics takes process, tools, and analytical skills but the payoff is better targeted relevant interactions with prospects and customers in order to improve customer loyalty, profitability and of course your marketing organization's effectiveness.