



PEDAL TO THE METAL.

How data-driven marketing can enhance the performance of your business.

2016

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Rudy Grahn's history with data is deep.

Today, he's the senior vice president of analytics at ZenithOptimedia—a global media services agency that's dedicated to helping clients improve the effectiveness of their marketing spend. But he started somewhere unexpected.

'I entered analytics at a little agency in San Francisco back in the internet wave 1.0,' he says, 'but I actually didn't start in analytics; I started as a copywriter. Once, I decided to go down to the analytics department to see how my creative was doing, and they told me it was doing terribly and that the ugly stuff the clients were making me do beat the pants off the stuff I was submitting to award shows.'¹

He laughs.

'I was a bit of a hack, but I had a book. I was employable as a writer. And I was shocked to find the hilarious stuff I was sending my mum to put on the fridge was being pulled after two weeks because it didn't work.'²

He decided he needed to understand these analytics that were running roughshod over his work. Soon, the pull of the data was too strong. 'Very quickly, I became much more interested in the data than in going back to my desk to do another 20-character headline.'³

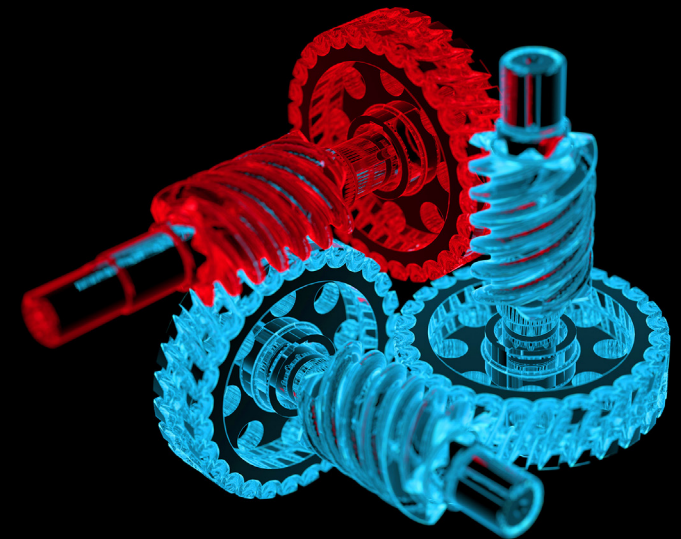
Though the details of his path to data may be unique, Grahn is not alone at his destination. Many data-driven marketers have followed similar roads to success. Still, his personal path is a microcosm of the industry at large. Businesses that want to understand the performance of their media and campaigns take the plunge and get hooked.

'I think it's a stretch to say that everybody's caught on to data-driven decision-making,' Grahn says. 'But everybody who wants to can, and everybody who does, doesn't go back.'⁴

Global consulting firm Accenture agrees. They surveyed more than a thousand data users who'd successfully completed at least one big data project, and the resulting endorsement of data-driven marketing was spectacular.

Ninety-two percent of respondents were satisfied with the business outcome of their efforts and 94% said that big data was important to their business.'⁵

Of course, success is a relative term, and not everyone is having the same experience as Grahn and the Accenture survey respondents.



Highway to the **DANGER ZONE.**

In a September 2015 Econsultancy report, *not one* of the 196 respondents said they could get the full value from all their data sources.⁶ Similarly, only 7% said they could turn their data into useful information and then act on it.⁷ That's right. Seven percent.

Pair these findings with the results of two Gartner studies and a picture begins to emerge. One study suggests that fewer than 15% of companies have a data management strategy completely deployed. Another predicts that 'through 2017, 60% of big data projects will fail to go beyond piloting and experimentation and will be abandoned.'⁸ Using data effectively in your business may be more complicated than marketers make it sound.

But what's the problem? Why are some businesses finding wild success and others failing to launch when it comes to data-driven marketing?

The problem could be technical. Look, for example, at the data in figure 1, which describes the problems marketers have when using analytics tools.

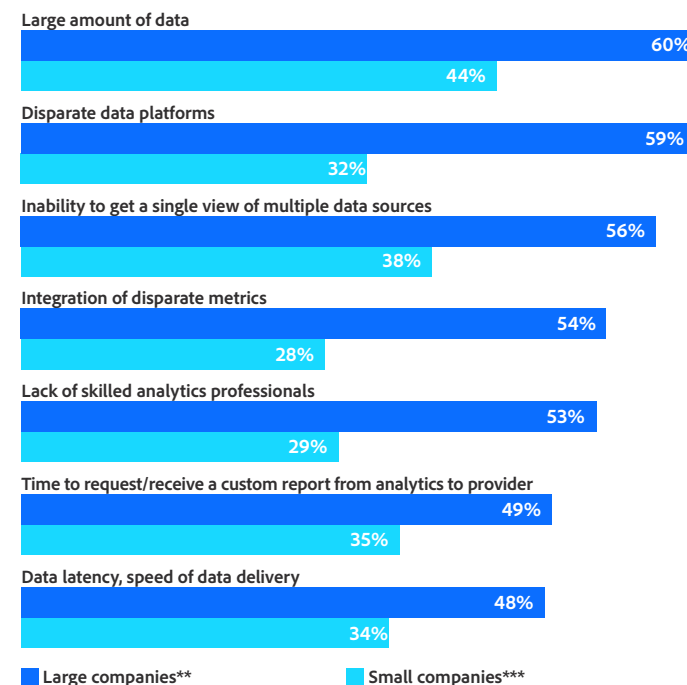
According to Grahn, issues like large amounts of data, which tops this list of challenges, have definitely been a problem historically.

'Ten years ago, I could have gotten log files, but I would have had nowhere to put them. Big data is sort of a cliché at this point, but anybody who's ever attempted to manipulate user-level data from either an ad server or a bidding engine or a search platform quickly realises that it doesn't work.

'Think about it this way. Spreadsheet software usually bums out with about 100,000 rows of data. But if you're dealing with impression logs from an ad server, 100,000 impressions is about three seconds worth of data. You can't even open five minutes of ad server data. It's not realistic.'¹⁰

FIGURE 1: CHALLENGES* OF THEIR CURRENT ANALYTICS REPORTING TOOLS ACCORDING TO US/UK MEDIA ANALYTICS PROFESSIONALS, BY COMPANY SIZE, MAY 2015

% of respondents



Note: small companies n=47; large companies n=63; *responses of 'very challenging'; **more than 500 employees; ***fewer than 500 employees

Source: Forrester Consulting, 'Real-Time Data Analytics: Empowering Publishers to Make Better, Faster Decisions' commissioned by PubMatic, 19 Aug 2015

www.eMarketer.com

Even so, Grahn says that it's not these kinds of technical barriers—as frustrating as they can be—that are getting in the way of data-driven success today.

'We're kind of at the quickening now,' he says. 'All the stuff we're supposed to be able to do, the stuff that people said the internet was supposed to do, we finally can do. Technology is no longer the barrier to doing all of this stuff.'¹¹

But this begs the question of what *is* the problem. If Grahn is right and the technology finally exists to do all the stuff 'the internet was supposed to do,' then what's keeping so many businesses from success? For Grahn, the answer is simple.

'The real barriers are cultural. For every dataset I generate, there are probably 10 different groups of stakeholders, all of whom have very different competencies in terms of data, and all of whom are looking for very different things to come out of that data.'¹²

You'd have to be living in a cave to be ignorant of the data revolution. Everyone knows that using data is a good idea, but not everyone agrees on what that means. For many people 'data' is just a bit of jargon, a cure-all that can swoop in and magically solve any problem. And this leads to the kinds of cultural issues Grahn's talking about. Like stakeholders who have no concept of what they're asking for. Or executives who want data to just fix things. Or marketers who don't really get what data can do.

Today, being successful in data-driven marketing is simple: manage expectations. It doesn't sound very profound, but when everyone in your organisation—from marketers to data scientists to stakeholders and C-level executives—has a clear vision of what data *can* do, what data *should* do, and maybe even what data *can't* do, then problems like large data sets or disparate data platforms become nothing but speed bumps.

All the stuff we're supposed to be able to do, the stuff that people said the internet was supposed to do, we finally can do. Technology is no longer the barrier to doing all of this stuff.

Rockin' down the **HIGHWAY.**

Imagine your company is a car. A really nice car.

That shouldn't be too much of a stretch. At one point, you or an executive has probably talked about how the business is—or needs to be—a 'well-oiled machine'. In this case, that well-oiled machine is a really nice car. We're talking Jaguar E-Type nice. Aston Martin nice.

So ask yourself, what's the engine of my car/company? What creates the power to push it forward at breakneck speeds?

Hopefully, that power comes from well-defined goals that give life to everything you do. But simply saying 'goals' is somewhat nebulous.

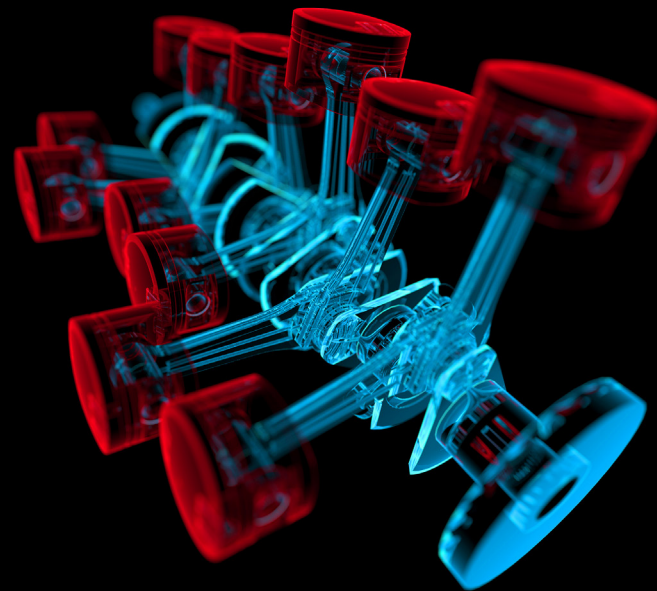
According to Rob Roy, group vice president of eCommerce and interactive media for residential business at Time Warner Cable, 'The fundamental bases for any marketing campaign are the key performance indicators that define what goals and objectives you are trying to achieve.'¹³

While this is certainly true of marketing campaigns, it's also true of your business as a whole. Defining solid, measurable performance indicators gives structure to your goals and gives your business the power it needs to make heads turn.

For Grahn, those performance indicators are simple: 'It's effectiveness, it's efficiency, and it's scale. Effectiveness is the rate of productivity, efficiency is the cost of that productivity, and scale is volume.'¹⁴

But in these fairly straightforward measurements—effectiveness, efficiency and scale—he begins to highlight the role of data:

'Anybody can get two of the three right, and most of what's passed for digital marketing since the beginning of the internet are campaigns that are just efficient and scalable. But if you ever want to swing for the fences, if you ever want to do something great, you've got to have the effectiveness piece in there. And you can't do that without the data to surround that, which is all user-level and portable.'



Your business is a car. Your performance indicators—and the goals they support—are the big, beefy engine. But as Grahm says, that engine doesn't run at its top performance without data, so you need to get everyone in your organisation on the same page. You need to share a clear vision of how data-driven marketing will enhance performance and make this sweet machine of yours hum.

In the following sections, let's look at five ways your data-driven marketing can transform your business into a high-performance machine that blows away the competition:



1. It helps you choose and then refine the right goals and key performance indicators.



2. It helps you make the right decisions and make them fast.



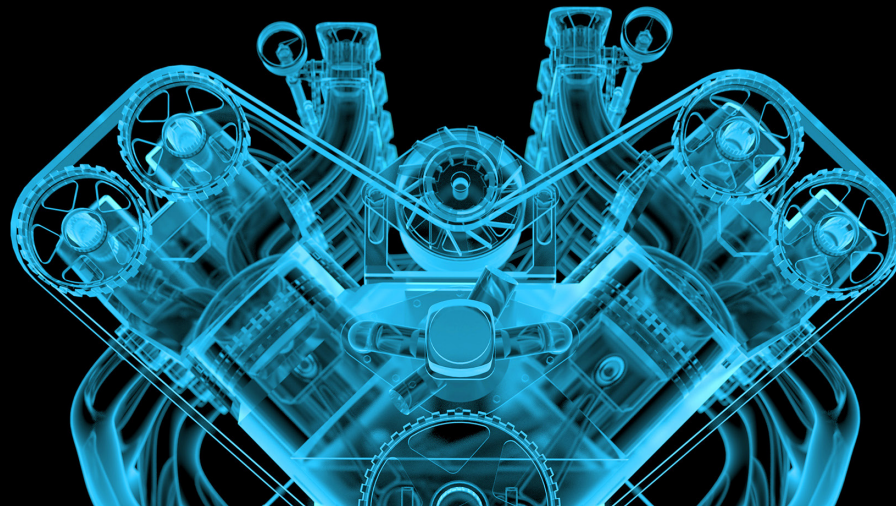
3. It helps you deliver real and compelling customer experiences to each individual customer.



4. It helps you spend your hard-earned money intelligently, both on new and existing opportunities.



5. It makes the humans in your company more efficient and more effective.



I can't **DRIVE 55.**

'The winner ain't the one with the fastest car; it's the one who refuses to lose.' —Dale Earnhardt¹⁵

'One of the great lessons I've learned,' says Grahn, 'is that key performance indicators aren't metrics. They're buckets for metrics. Almost all our metrics ladder up into three main buckets and they're all around productivity.'¹⁶

In other words, your data sets are really only useful if they're focused on your key metrics and the business goals they support—i.e. your engine.

On your car, if you want to improve the power output of your engine, you have to modify the ratio of air to fuel that's going in, get it all to burn faster, and then dispose of the waste as efficiently as possible.

The same is essentially true of your key performance indicators. As you decide which goals you want to pursue, you can then select the appropriate data you'll need to support each goal. Then use that data to act toward the completion of your goal and get rid of the stuff that's not working.

Manage intake. Use it effectively. Get rid of waste.

As Roy puts it, 'The key point here is you've decided what data to collect by virtue of studying and reasoning through the KPIs.' And he's in a position to talk.

'At Time Warner Cable,' he says, 'after following through with this process, we hit the mark about 70% of the time.' Then he adds, 'The 30% miss rate is just as valuable, because we learn how to avoid misses in the future.'¹⁷

Of course every business that uses any kind of goals does something like this, in the same way the combustion engine in your old banger from high school follows the same basic principles as the one in that BMW you can't stop eyeing.

But just as real gearheads use a mix of expertise and specialised equipment to get the most out of their machines, you can use data-driven marketing—which combines technologies, people and processes—to choose and then refine your key performance indicators to do the same thing.

To tune your goals properly, however, you need to exercise some discipline about what data you're gathering and how you're using it. (No car fanatic would ever put low-octane gas in a high-performance machine.)

‘Not all data is created equal,’ Roy says. ‘The ability to track a data element doesn’t mean it has value to your campaign.’¹⁸

This is a big problem for a lot of businesses trying their hands at big data. Remember the results shown in figure 1 (see page 4)? Sixty percent of large business respondents said that working with large amounts of data was a real challenge.

Several Econsultancy studies agree. In one, 57% of respondents complained that the ability to analyse large amounts of data was their biggest problem when it came to big data.¹⁹ In the other, 62% of respondents agreed that they’re overwhelmed by the amount of data they’re receiving.²⁰

If these reports can be considered representative—and they’re not alone in their results—then at least

half of data-driven marketers, and the businesses they work for, are drowning in data.

This is where your key performance indicators, and a little discipline come in.

‘The choice of KPIs then drive what data you need so you can measure your progress and effectiveness,’ says Roy.²¹

The relationship between your key metrics and your data can be symbiotic. Your goals determine which data you need, and that data in turn helps you understand how your goals are working and gives you the information you need to refine them.

Here’s a tactical example: After analysing the data you have coming in, you create a campaign to hit a specific set of goals. At first, things go great, but half way through, the numbers drop off drastically. The Pinto solution to this problem is to assume

the campaign has run its course. Or maybe that the creative is the problem, that perhaps you’re not speaking to the audience in the way you initially thought.

With data-driven marketing, however, you don’t have to assume. In this case, advanced technologies like anomaly detection and contribution analysis would show that the campaign has been ended prematurely, so it’s no wonder the numbers have dropped off. A little troubleshooting and a flick of a proverbial switch and you’re up and running in no time. In fact, one business ran into this very scenario and by using data-driven marketing to find a resolution, increased their daily revenue by \$1.7m (£1.2m).²²

Without data, your ability to understand the success or failure of your goals is severely handicapped. With data, you’ve got the power you need.



The **DISTANCE.**

'Speed has never killed anyone. Suddenly becoming stationary—that's what gets you.' —Jeremy Clarkson²³

Remember what Grahn said about data-driven decision-making: 'Everybody who wants to can, and everybody who does, doesn't go back.'

Decisions make or break a business. Every day, thousands of decisions are made in your organisation. Some are big, some are small, but all have impact. Put simply, data gives you the ability to make better decisions, more quickly.

Outdoor retailer REI learned this lesson the hard way during the 2014 ski season. Relying solely on their tried-and-true first-party data—like social, email and search engine data—they pushed ski jackets, expecting to sell \$1m (£700k) a week. This expectation was consistent with what they'd done in the past, but half way through the first week, they'd barely made \$200k (£150k). When REI stepped back and began to include third-party competitive information in their analysis, they learned that a competitor was undercutting them by offering price cuts, free shipping and so on. Armed with this more comprehensive data, REI was better able to make decisions on where and how to invest its time and money.²⁴

When you modify the engine in your car to improve its performance, you have to make similar changes to the structure of the car—the transmission, the driveshaft, the power train—to support the added power. If you've ever compared a cheap sports car to a really nice one, you understand why. You don't want to get behind the wheel only to feel out of control as your fillings are shaken loose. You want to be in control. You want to feel that every nut, gear, piston and bolt is 100 mph of putty in your hands.

In your business, your ability to make decisions is the structure that gives you the control you need to move your key metrics and achieve the goals they represent.

'Data [alone] cannot drive marketing,' Roy says, 'but rather, it enables the decision-making process at the heart of any corporate marketing strategy.'²⁵

This is one of those expectations that you need to manage. Considering the hype around big data and analytics, it's understandable that some in your organisation might see your data efforts as a futuristic artificial intelligence running your business. Instead, data creates a culture of informed employees who make decisions based on rational, meaningful information. Grahn refers to it as having 'data-driven decision making baked into almost everybody's process.'²⁶

In reality, there's something to that futuristic artificial intelligence idea. With machine learning, advanced analytics solutions can actually make tactical decisions without human intervention—such as personalising content for customers based on data—but this simply contributes further to your ability to make better decisions faster. By handling the small, easy decisions, these solutions allow you not only to focus on the choices that will have the greatest strategic impact but also to continually refine and optimise the experience you're delivering.

Put simply, data gives you the ability to make better decisions, more quickly.

And as research from Bain & Company suggests, these kinds of data-powered decisions help you differentiate yourself as a legendary sports car instead of a mediocre knock-off. According to their report, companies that employ advanced analytic capabilities are

2x

more likely to use data to make decisions 'very frequently'.

3x

more likely to be 'highly effective' at executing decisions.

5x

more likely to make decisions 'much faster'.

2x

more likely to be top-quartile performers.²⁷

Data-driven marketing is especially important in decision-making because it facilitates effective and useful testing. Testing is one of those things 'that people said the internet was supposed to do,' according to Grahn, and it's crucial to good decision-making.

For example, testing is a fundamental part of optimisation, which is essentially a series of decisions about how to improve a customer experience. Without the ability to run complex testing against a variety of audiences and segments,

any optimisation effort is very limited. Rigorous testing can give you the information you need to make successful changes to your campaigns that will then have a meaningful impact on your customers.

In fact, optimisation only works if you can accurately measure the outcome of each option and then do something about it. Luckily, measurement and action are data-driven marketing's bread and butter—and testing is a huge part of it.

'When you test, do it incrementally so you can isolate the various factors that impact performance,' says Roy. 'Test in a controlled environment using one step of technology before you add the next stack of tech to the mix. Don't be afraid to make a mistake. Mistakes during testing are where you want them to happen. Data is only as good as the action it creates. Use data insights logically and not in a counterintuitive manner. Common sense should always prevail if nothing else.'²⁸

And even common sense can be enhanced by the right data. Think again about our hypothetical example of our under-performing ads. With limited information, common sense may suggest that we send the ads back to the creative team, or that we spend a lot of time digging into audience information to work out where we went wrong.

While this may yield some limited fruit, without knowledge of the real problem—a technical glitch—we really can't make the right decision. This is where the best analytics software excels. With little fuss, it can crawl through your data and identify anomalies, so you can address them and make better decisions in the future.

As mentioned before, anomaly detection looks for bits of your data that don't seem quite right—like an ad placement that suddenly isn't delivering. Then you can use related technologies like contribution analysis to work out what the problem really is.

All of these analytics technologies, along with the ability to get real-time data, make possible Grahn's vision of having data-driven decision-making baked into almost everybody's process. With the right structure in place, even a ride that should be rough because it's running with the power of 700 horses can feel like a dream. At the same time, when you have data on your side, you can make smart, informed decisions and intelligently handle all the information you're getting and more.

STICK SHIFTS and safety belts.

'It is amazing how many drivers—even at Formula 1 level—think that the brakes are for slowing the car down.'—Mario Andretti²⁹

'You can't make a case, in my humble opinion, that you care about the customer experience if you do not have any customer-level data,' Grahn says.³⁰ And let's face it. Customer experience is a big deal these days, and as Grahn says, it's only possible with data.

For the last two years, the Econsultancy Digital Trends Briefings, produced in partnership with Adobe, reveal that customer experience is the single most exciting opportunity for marketers, pulling ahead of other themes such as big data, social and content marketing.³¹

As author and former Tesco CMO Simon Uwins said in an interview that appeared on CMO.com, 'The thing I learned very quickly was that your brand very much depends on the customer's actual interactions with you, not some image you've created in an advertising campaign.'³²

Most people seem to get this in theory, but not everyone is pulling it off. In the Econsultancy and Adobe Quarterly Digital Intelligence Briefing called 'The CX Challenge', 95% of surveyed businesses claimed to have made some effort around customer experience, but only 8% said they are 'very advanced'.³³

If Grahn's opinion is right, then at least part of this problem is a lack of the right kind of data.

'How many folks measure the whole funnel, every touchpoint a consumer has with the brand? There are very few data sets that look like that. Consumer-centric measurement is way harder to do than just aggregate-level "here's how much money I spent, here's how many impressions I got, here's how many clicks I logged, how many orders I got".'³⁴

Historically, the requirements necessary to actually pull off customer-centric marketing were essentially non-existent, but today, data-driven marketing can make the promise of customer experience a reality.

'It takes more work and the amount of work it takes was prohibitive two, three or four years ago,' Grahn says. 'But it's not prohibitive anymore. You can store data pretty cheaply. The processing time needed to go through big datasets is not what it used to be.'³⁵

Grahn's examples are the obvious ones. Storage space and processing speeds were once serious roadblocks for all industries.

But technology is doing more to empower customer experiences than simply clearing away legacy roadblocks. Today, technology is answering questions that no one would have thought to ask several years ago. For example, more remarkable than the ability to store enough data is the ability to use that data selectively and with unheard of precision.

This precision is essential to creating the experiences your customers expect because, at its heart, customer experience is about using the power and responsiveness of your organisation to move more quickly and compellingly into the hearts of individual customers.

Imagine you pull up to a red light and look over. Next to you is a big, black vintage Porsche, rumbling out challenges with every pound of its pistons. The driver looks at you and smirks. When the light turns green, no matter whether you actually slam down the accelerator or not, you want to know that you *could* win, that you could get from 0 to 60 before the competition. As any car fanatic knows, it's not how fast you can go, it's how fast you can get there.

With cars, acceleration is improved in a variety of ways: modifying the gears, adjusting the weight or shape of the vehicle, using tyres with better traction...

Likewise, you can use data-driven marketing in a variety of ways to deliver mind-blowing customer experiences, but all of them work together to build a real relationship with your customers.

The foundation of that relationship is having a comprehensive profile of each customer. This is often called a 'single customer view' or a '360-degree view' and is not simply some broad segment. If you can successfully break down your silos and pull all your data together, you can create a dynamic, progressive profile of each customer, allowing you to anticipate and respond to their individual needs.

This kind of profile goes far beyond simple demographics. By combining data from all channels and sources, it can show significant detail about the customer's lifestyle, behaviours and motivations. This in turn allows you to anticipate what they want and to deliver not only the appropriate messaging or offers but to deliver them at the times when they'll have the greatest impact.

As you're gathering this information, you should also be building a picture of how and why each customer is engaging with you. Historically, this kind of attribution has been fairly limited, but the modern data-driven marketer has much more advanced tools—like algorithmic attribution—to make this a reality.

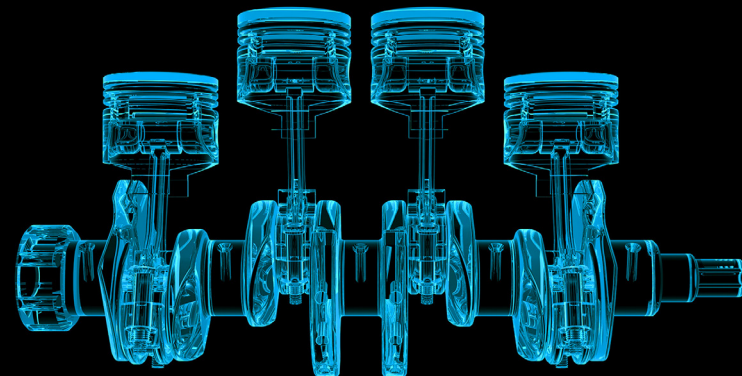
In his article, 'Marketing attribution—Taking the guesswork out of marketing,' Adobe marketing strategist Michael Plimsoll argues that these new innovations give you a much better view of how your marketing spend is impacting your customer during

every step of their journey. 'Attribution modelling allows you, the marketer, to quantify the influence [of] overlapping touch points', giving you the ability to accurately see what's working—and what you should be investing in—and what isn't.³⁶

If you can successfully break down your silos and pull all your data together, you can create a dynamic, progressive profile of each customer, allowing you to anticipate and respond to their individual needs.

This picture of your customer and their journey with you, however, is only as good as what you do with it. 'There are machines that are getting thousands of impressions a week from the same campaign,' Grahn points out. 'If you're not measuring the user-level data, you're carpet-bombing those people.'³⁷

You don't want to carpet-bomb people. You want to give them a unique and personalised experience exactly when it will have the most impact. This means taking the data you've gathered about your customers and about the ways they're interacting with your messages, and then using that information to refine or optimise those messages until they're having just the right effect.



This kind of optimisation is the backbone of any customer experience strategy because it allows you to almost instantly adapt to the whims of your audience, to constantly refine your understanding of how they're interacting with your brand, and then to tailor your messages to suit. And it's really only possible with a robust data-driven marketing strategy.

How this plays out in your company will be unique, but here's an example of how it might work for a hotel.³⁸

David is a customer with Hotel X, but by analysing his spending patterns both with our hotel and with our competitors, we can tell he's in danger of leaving us. All of this is data that we've gleaned over time using first, second and third-party data (i.e. our data, our partners' data and data we've purchased) to create a complex and dynamic profile of him.

To keep him coming back, we plan a campaign that's aimed at his needs and that responds to his actions in context.

- **To start**, we use what we know about him and his interests (again, information we've gained through first, second and third-party sources) to send an email with a personalised URL that highlights all that our hotel has to offer him specifically. For example, we know he likes to run, so we offer downloadable running maps to areas he's frequented in the past that are near our hotel.

- **When that doesn't work**, we reach out to him with an offer to redeem loyalty points that he's accrued. Again, we use what we know about him to tailor the offer with products we think he'll like. At the same time, we pay attention to what he chooses because this is valuable information about his preferences for the future.

- **Despite our best efforts**, our data reveals that David is still choosing to stay with a competitor. This triggers a 'double points' promotion to encourage him to stay with us the next time. We're able to offer a deal like this because we have context. We know what he's doing, so we can respond in a way that's specific to him.

- **David jumps on the double points offer**, so when he checks in, we give him a choice of perks (like lounge access, late checkout, a bar credit and so on). Again, by offering him a choice, we have the opportunity to learn more about what's important to him.

- **It's important that we act on our renewed relationship with David**, so even though we can predict from his spending habits that he's not likely to gain 'Gold' status with us soon, we let him know that if he stays with us eight times in the next 60 days, he can become a Gold member. To cheer him on, once he accepts the challenge, we put a widget in our app on his phone, tracking his progress towards Gold. We also send emails to remind him of his progress and the benefits of becoming a Gold member.

And so on. This is a hypothetical example, but it helps demonstrate the way the data you've collected can work to create a compelling customer experience.

From the minute they wake up to the minute they go to sleep—and sometimes while they sleep—your customers are plugged in. But they're rarely plugged in with the same device. The last piece of the customer experience is making sure that you're using your data to create unique customer experiences whenever and however they want them. Having this kind of single conversation is crucial in an era when the ability to dump you and your company is literally at your customer's fingertips.

Data-driven marketing gives you the performance you need to get out of the gate first and to develop the kinds of relationships you always want with your customers.

ROUTE 66.

'What's behind you doesn't matter.' —Enzo Ferrari³⁹

'Data-driven decision-making is a hedge on not doing the dart board thing.'⁴⁰

Grahn says this sort of tongue-in-cheek, but he means it. One of the crucial roles that data-driven marketing can play in your organisation is to make sure you're spending your money wisely.

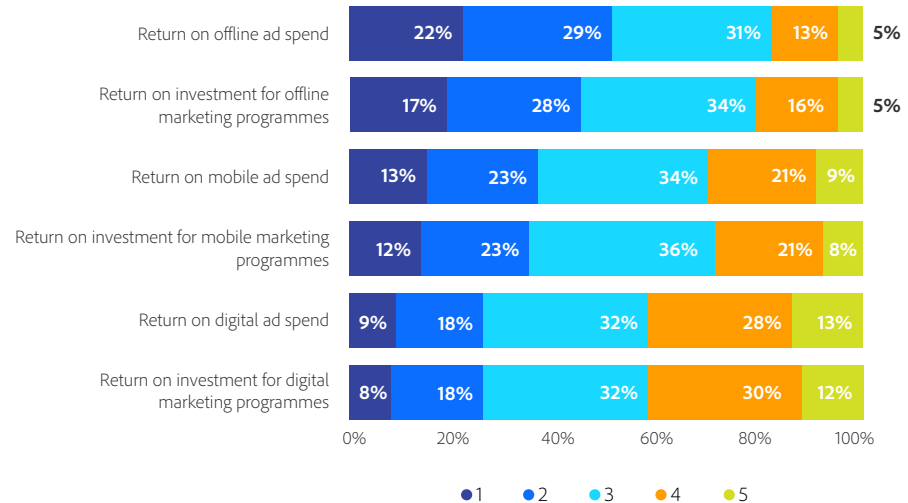
Plimsoll describes the challenge like this: 'Marketers aim to gain better return on their marketing spend with improved levels of engagement and revenues or to contain/reduce their marketing spend while retaining the same levels of engagement and revenues.'⁴¹

It's crucial not just to accurately track your spending but to actually get a return on that spending. According to a joint study produced by Adobe and Econsultancy, however, not everyone is doing so well (see figure 2).

These numbers suggest a general lack of confidence when it comes to measuring returns on a variety of tasks. And without confidence, making spending choices really is 'the dart board thing'.

The solution of course, is data-driven marketing.

FIGURE 2: ON A SCALE OF 1-5, WHERE 1 IS 'NOT AT ALL CONFIDENT' AND 5 IS 'EXTREMELY CONFIDENT', HOW CONFIDENT ARE YOU IN YOUR ORGANISATION'S ABILITY TO MEASURE THE FOLLOWING?



Source: Econsultancy/Adobe Quarterly Digital Intelligence Briefing
Respondents: 1,894

Data-driven marketing ... allows you to make the most of your well-oiled business machine by helping you see where you're going now, decide where you want to go next, and understand your potential to get there fast.

When you've invested in building a serious sports car, an important part of the equation is the control that comes from visibility. Whether you're on the track, the Autobahn or simply cruising through town, you need the confidence of knowing that you can see well enough to make the best decisions.

On a car, visibility is a matter of window size, shape and placement, but it's also a matter of the placement of the gauges. In some newer performance vehicles, the speedometer is projected onto the windscreen, accomplishing two important things. First, it allows you to keep your eyes where they belong—on the road. But more importantly—at least it's more important to people who know what performance cars are for—the projected speedometer lets the driver know how much faster they could go.

Data-driven marketing works like clear windows and projected speedometers. It allows you to make the most of your well-oiled business machine by helping you see where you're going now, decide where you want to go next, and understand your potential to get there fast.

To make these kinds of critical decisions about spending, you need all the information you can get. And data-driven marketing is all about getting and using data.

There are a variety of spending decisions that data-driven marketing can improve. In figure 3, you'll find some popular decisions according to a PubMatic report on media analytics users, though they are limited by the scope of the survey. You can benefit from data in how you allocate your media spend, which channels you choose to adopt (or neglect), how you'll segment your audience, and any number of other business decisions. At the end of the day, however, you'll want to align your decisions with your key performance indicators.

We've already shown that a huge part of making decisions in the modern market is testing, and decisions about spending are no different. You want to know the most effective ways to spend your money, and testing can help.

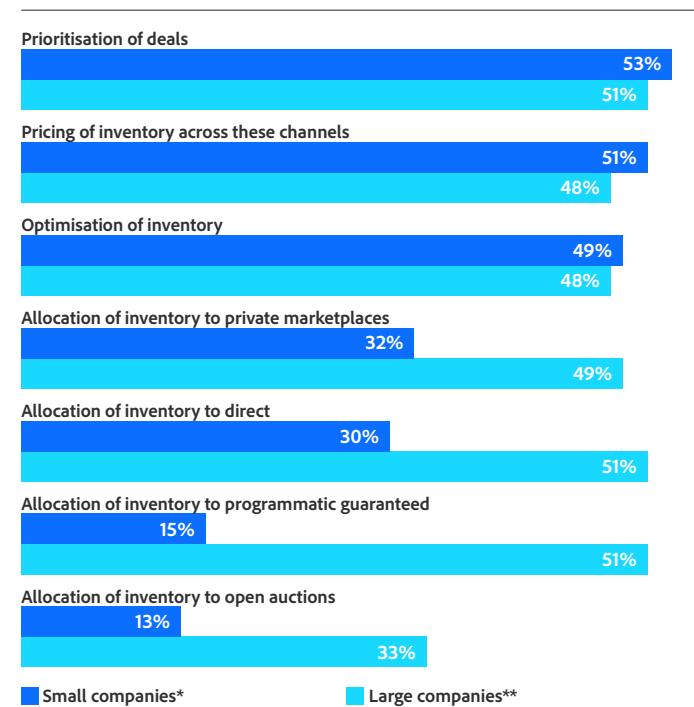
Mike Amend, former VP of online mobile and interconnected retail at The Home Depot—a company that definitely knows the value of data-driven marketing—points out how important it is to test your information and see what works.

'There are a lot of ideas out there,' he says. 'The reality is, there are a lot of ideas that are not so good or that customers don't see value in. [What testing] allows us to be able to do is put those ideas in front of customers and very quickly get feedback on [whether that] really is of value to customers, who ultimately vote with their clicks and their wallets.'⁴⁴

The beautiful thing about data-driven marketing, however, is that it informs every step of the testing process. Insights that you gain from your data help you figure out which tests to run. Then the data you earn through your test sheds light on which opportunities make the most sense.

FIGURE 3: BUSINESS DECISIONS THAT US/UK MEDIA ANALYTICS PROFESSIONALS ARE MAKING BASED ON ANALYTICS DATA/REPORTING, BY COMPANY SIZE, MAY 2015

% of respondents



Note: small companies n=47; large companies n=63; *fewer than 500 employees; **more than 500 employees
Source: Forrester Consulting, 'Real-Time Data Analytics: Empowering Publishers to Make Better, Faster Decisions'
commissioned by PubMatic, 19 Aug 2015

www.eMarketer.com

Data can help you see in all directions, but just as bigger or more strategically placed windows and mirrors give you better visibility in your car, broader and better sources of data can do the same with your business. There is more data available today than many marketers realise, and it's important to take advantage of all of it. If you're not combining first, second and third-party data, you may not be able to make the best possible decisions.

This breadth and depth of data opens the door for the real data-driven magic, the kinds of things that make marketers drool. Take attribution modelling, for example. We've already seen its value in mapping the customer journey, yet attribution models are also great at giving you visibility into the performance of specific campaigns and tactics, so you can know which deserve further funding and which may need retooling.

Simplistic attribution models—like the long-used 'last-click' model and other rule-based approaches—have been informing marketing decisions for a long time, well before the beginning of the big data revolution. But today, data-driven marketing can do even more to help you keep your eyes on the road and make the best decisions on how and where to spend.

For example, algorithmic attribution is a model used by many of the most successful digital marketers. It uses advanced statistics and machine learning

to determine the proportional influences that each marketing touch has along a customer's journey towards conversion. This in turn leads to a much more sophisticated, multichannel understanding of the effectiveness of your marketing campaigns than even the most sophisticated rule-based models can provide.

'Algorithmic attribution modelling replaces a leap in the dark with the tools to run "what if" scenarios,' says Plimsoll. 'Marketers can instantly see the impact of turning off or reducing the spend within a single channel, diverting customers to a different channel or otherwise adjusting marketing activity.'

'In an operating climate where budgets are often pared to the minimum, predictive attribution modelling is a great resource for organisations looking to optimise their corporate marketing strategy and, at a more granular level, strengthen the impact of individual marketing initiatives.'⁴⁵

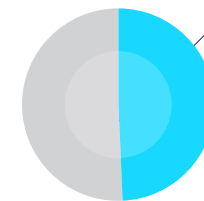
Still, there's more to wisely allocating marketing spend than simply looking at what you're doing now. You want to know what you could be doing. (Think of that speedometer projected on the windscreen, daring you to go faster.)

As you gather information about your customers and analyse their behaviours and interests, you can identify new opportunities and potential new sources

of revenue. Or, as new technologies are created to take advantage of this digital momentum—like beacons or other location-based innovations—you have the chance to invest in experiences that could change your business.

Finding these kinds of opportunities through data-driven marketing isn't an anomaly. According to a May 2015 PubMatic study, almost half (48%) of respondents claimed that the ability to uncover new revenue opportunities was a benefit of receiving data in real time.⁴⁶

In order to be successful, you need to be able to see the opportunities around you and have the ability to take advantage of them. Data-driven marketing gives you the visibility you need to evaluate current spending and to identify new opportunities as you drive forward.



48% of respondents claimed that the ability to uncover new revenue opportunities was a benefit of receiving data in real time.⁴⁶

BORN to take the HIGHWAY.

‘There have been other tracks that separated the men from the boys. This is the track that will separate the brave from the weak after the boys are gone.’

—Jimmy Thompson, speaking about Daytona International Speedway.⁴⁷

‘You’ll never automate your way to greatness. You could automate your way to a C+ over and over and over again.’⁴⁸

Grahn’s point is that people matter.

‘You could teach a model to do a lot of this stuff,’ he says, ‘but the basic levers that are needed to understand the value of an impression at any given time, that’s the Wild West still, that still requires skill.’⁴⁹

It probably comes as a relief to many marketers that humans still have a role to play in the data game. But automation and employees—data and people—these are not independent of each other. They exist together in a mutual relationship, and if you’re doing data-driven marketing right, then data, automation, attribution and every other technology or tactic should actually make those humans better.

You can have the coolest car in the world. You can have power and performance, speed and visibility. But if those features don’t combine to give the driver an incredible, giggle-with-giddiness experience, then what’s the point?

When Larry Webster of Popular Mechanics compared some of the latest sports cars, he said it like this: ‘Sure, we burned up plenty of rubber and fuel to get the quickest times. But speed was not our sole criterion. These cars were judged on how well they connected with the driver and how enjoyable they were to drive in all conditions.’⁵⁰

If you’ve tuned your business into a high-performance vehicle, then the driver—you and everyone else involved—should feel it. It will make their jobs easier

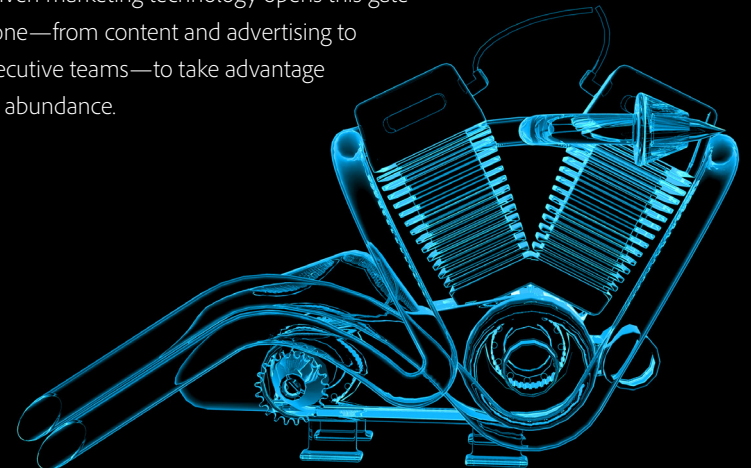
and, frankly, more fun. Customer experience doesn’t have to be limited to your customer’s experience with your brand. It should also be about your experience as you share your brand. And data-driven marketing can make this connection between you, your business and your customer happen.

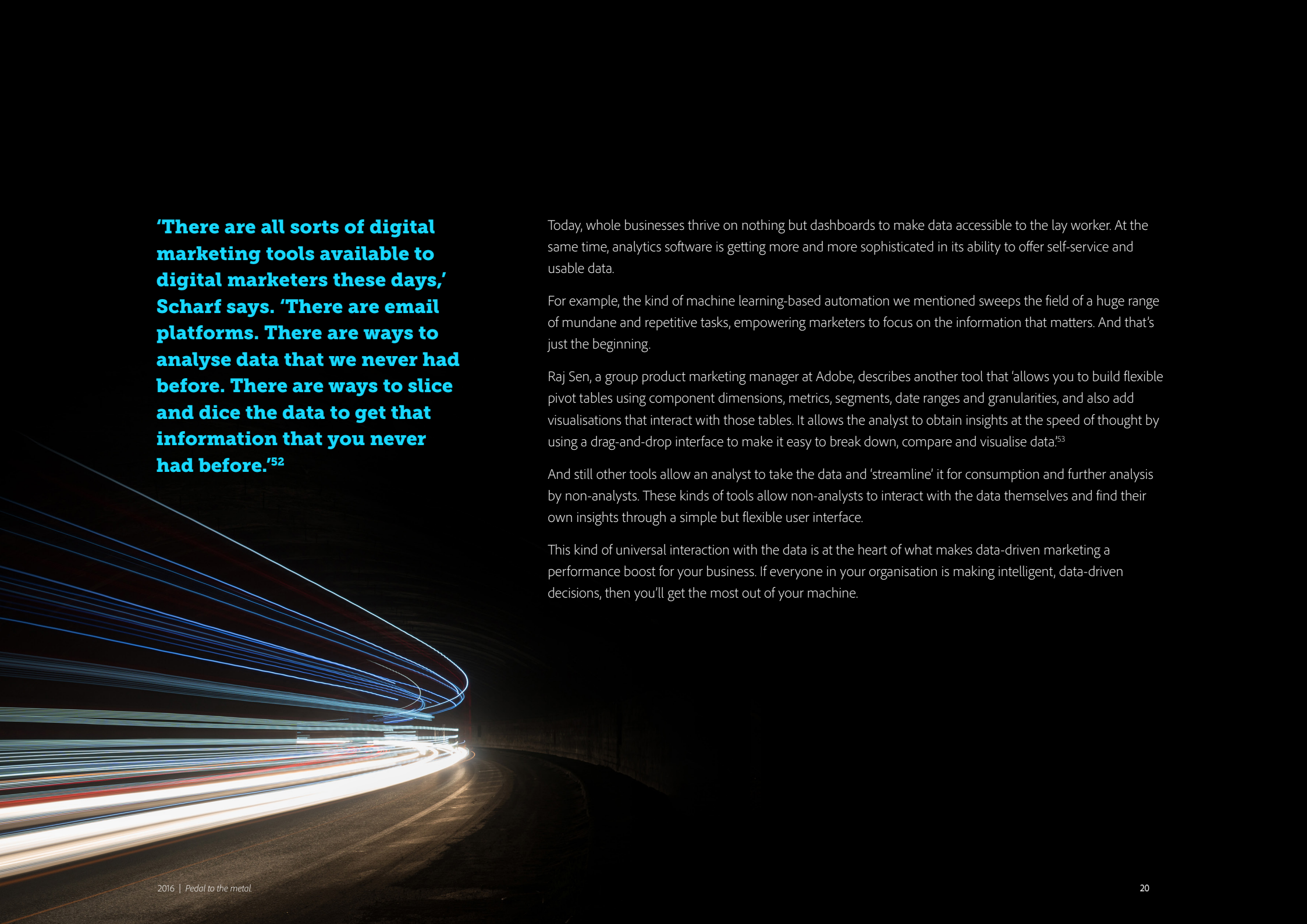
One way that data-driven marketing enhances the employee experience is by making it easier for everyone to access, use and make decisions based on the information the company is gathering.

‘Digital marketing tools these days are helping the industry really close the talent gap,’ says Matt Scharf, who is the manager of display media operations and analytics for Adobe. ‘Questions that used to be only answered by data scientists can now be answered by digital marketing professionals because even if they don’t have the skillsets, they have tools available to them to answer difficult questions.’⁵¹

This is important because in today’s digital market, everyone’s work can be improved by the use of data. Data comes into play in every corner of your business, and if only an exclusive group make use of it, then you’re not using it to its fullest.

Modern data-driven marketing technology opens this gate and allows anyone—from content and advertising to the web and executive teams—to take advantage of the analytical abundance.





'There are all sorts of digital marketing tools available to digital marketers these days,' Scharf says. 'There are email platforms. There are ways to analyse data that we never had before. There are ways to slice and dice the data to get that information that you never had before.'⁵²

Today, whole businesses thrive on nothing but dashboards to make data accessible to the lay worker. At the same time, analytics software is getting more and more sophisticated in its ability to offer self-service and usable data.

For example, the kind of machine learning-based automation we mentioned sweeps the field of a huge range of mundane and repetitive tasks, empowering marketers to focus on the information that matters. And that's just the beginning.

Raj Sen, a group product marketing manager at Adobe, describes another tool that 'allows you to build flexible pivot tables using component dimensions, metrics, segments, date ranges and granularities, and also add visualisations that interact with those tables. It allows the analyst to obtain insights at the speed of thought by using a drag-and-drop interface to make it easy to break down, compare and visualise data.'⁵³

And still other tools allow an analyst to take the data and 'streamline' it for consumption and further analysis by non-analysts. These kinds of tools allow non-analysts to interact with the data themselves and find their own insights through a simple but flexible user interface.

This kind of universal interaction with the data is at the heart of what makes data-driven marketing a performance boost for your business. If everyone in your organisation is making intelligent, data-driven decisions, then you'll get the most out of your machine.

GREASED lightning.

It's a sad truth that where we're going, we still need roads. At least for now. There's nothing you can do to your car to make it fly. So when you're looking to improve the performance of your car, you focus on the physics of the rubber and the road, the realities of the internal combustion engine, and the chemistry of the fuel that makes it all go.

If you're looking to improve the performance of your business using data-driven marketing, you need to keep your eyes open in the same way. Data-driven marketing delivers real, tangible benefits. If you're careful and thoughtful about how you implement it, it can measurably and demonstrably improve your business. But it won't make your business fly. At least not yet. But it's closer than you might think.

'Data-driven decision making is almost exclusively backwards-looking,' says Grahn, describing a commonly perceived limitation of data-driven marketing. 'Like the old adage in military colleges—everybody's always fighting based on what they learned in the last war, because you don't know what the next one's going to be.'⁵⁴

This may be technically true. We can still only analyse and use data from events that have already happened. But as data-driven software gets more and more sophisticated, it gets a lot better at learning from 'the last war', and the distinction between backwards-looking and forwards-looking begins to blur.

Incredible strategies like predictive marketing, which allows you to make decisions on future opportunities that have been highlighted in data, shift your focus from analysing past trends to prognosticating future ones.

So if you want to improve the performance of your well-oiled machine, data-driven marketing is foundational to your success. There's simply no better collection of tools, technologies and techniques available to businesses that want to pull ahead.

For Rudy Grahn—and for countless other marketers—data-driven marketing is *the* way to improve performance, whether that means understanding how a single piece of copy is performing or launching vast campaigns to create intimate, lasting relationships with customers. For you and your business, it can be the same. Data-driven marketing can offer the enhancements that drive you to your goals.

'How do you justify a decision and how do you make an informed decision?' Grahn concludes. 'Data-driven decision making—when done properly—is probably the best mechanism for that.'

Then he laughs.

'Other than that crazy genius who just knows stuff. And how many organisations have one of those?'⁵⁵



ADOBE can help.

With the advanced analytics capabilities in Adobe Analytics and the testing and targeting capacity of Adobe Target, it's easier than ever to realise the potential of data-driven marketing. From creating a complete view of each customer across touchpoints and along their journey, to using predictive analytics, advanced anomaly detection and machine learning to understand behaviours and needs, you can use data to plan, create and optimise the experiences that matter to you and your customers.

These solutions and more are fully integrated through Adobe Marketing Cloud. With tools to help with dynamic ad buying, content delivery, campaign automation or social integration, you have an unparalleled opportunity to turn deep customer insights into business results.

To learn more about how you can improve the performance of your business through data, visit www.adobe.com/go/data-driven-marketing.

Adobe Marketing Cloud empowers companies to use big data to effectively reach and engage customers and prospects with highly personalised marketing content across devices and digital touchpoints. Eight tightly integrated solutions offer marketers a complete set of marketing technologies that focus on analytics, web and app experience management, testing and targeting, advertising, audience management, video, social engagement and campaign orchestration. The tie-in with Adobe Creative Cloud makes it easy to quickly activate creative assets across all marketing channels. Thousands of brands worldwide, including two thirds of Fortune 50 companies, rely on Adobe Marketing Cloud with over 30.4 trillion transactions a year.

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