MARKETING ANALYTICS

Lecture Notes compiled by Asst. Prof. Melody Angelique C. Rivera
For InfoSys E4

Sources
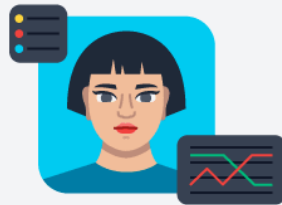
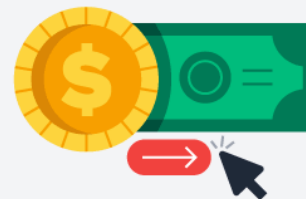- https://online.hbs.edu/blog/post/what-is-marketing-analytics
- https://www.marketingevolution.com/marketing-essentials/marketing-analytics

https://clevertap.com/wp-content/uploads/2022/01/marketing-analytics.png

Overview (1)

◦ Marketing efforts, both paid and organic, share the same overarching goals:
  ◦ increase brand awareness
  ◦ drive thought leadership
  ◦ generate qualified leads

◦ Broad goals like these can be broken down into specific, trackable metrics that marketing teams can use to define success and gauge performance

Overview (2)

◦ Questions of people who are not marketers or have never engaged with marketing analytics
  ◦ How is progress is tracked?
  ◦ Where is marketing data coming from?
  ◦ Why analyzing is important?

◦ This is where marketing analytics come in

What is Marketing Analytics? (1)

◦ the practice of using data to evaluate the effectiveness and success of marketing activities

◦ the process of tracking and analyzing data from marketing efforts, often to reach a quantitative goal

◦ An understanding of the analysis allows an organization to
  ◦ Gather deeper customer insights to improve customer experiences
  ◦ Optimize marketing objectives and craft future marketing strategies
  ◦ Get a better or an increase in return on investment (ROI)
  ◦ Improve decision-making

What is Marketing Analytics? (2)

◦ Marketing analytics benefits both marketers and consumers/customers

◦ This analysis allows marketers to achieve higher ROI on marketing investments by understanding what is successful in driving either conversions, brand awareness, or both

◦ Analytics also ensures that consumers see a greater number of targeted, personalized ads that speak to their specific needs and interests, rather than annoying mass communications

Where does marketing data come from?

◦ Data must be collected, aggregated and organized before it can be used to track progress, gain customer insights and drive strategic decisions

◦ Three (3) types of customer data
  ◦ First-party data
  ◦ Second-party data
  ◦ Third-party data

Different Data Sources in Marketing

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First-party data

◦ collected directly from users of the organization's services or products

◦ considered the most valuable data type because information received is about how an organization's audience behaves, thinks, and feels

◦ Collected through:
  ◦ Surveys
  ◦ A/B Tests
  ◦ Organic content interaction
  ◦ Paid advertisement interaction

First-party data: **Surveys**

◦ A straightforward way to ask the the customers about
  ◦ their experiences with the product
  ◦ their reason for purchasing
  ◦ what could be improved
  ◦ if they would recommend the product to someone else
  ◦ Others…
◦ Surveys can be anything from multi-question interviews to a popup asking the user to rate their experience on the organization's website

First-party data: **A/B Test**

◦ a way of testing a hypothesis by comparing user interactions with a changed version of an organization's website or product to an unchanged version

◦ For example:

  ◦ if you hypothesize that users would be more likely to click a button on your site if it were blue instead of red, you could set up an A/B test in which half of your users see a red button (the control group) and half see a blue button (the test group)

  ◦ The data collected from the two groups' interactions would show if your hypothesis was correct

◦ A/B tests can be a great way to test ideas and gather behavioral data

First-party data: **Organic content interaction**

- Organic content:
  - Blog posts
  - Downloadable offers
  - Emails
  - Social media posts
  - Podcasts
  - Videos
- Interaction with organic content can be tracked and leveraged to understand
  - a user's purchasing motivation
  - their stage in the marketing funnel, and
  - what types of content they are interested in

First-party data: **Paid advertisement interaction**

◦ An organization can also track when someone engages with a digital ad it has paid to display
  ◦ whether it is on another website, at the top of search results, or sponsoring another brand's content

◦ This data is crucial in determining where the organization's customers are coming from and what stage of the **marketing funnel** they see the advertisements
  ◦ 1) awareness   2) consideration   3) conversion 4) loyalty

◦ A brand's goal in each stage is to:
  ◦ 1) attract   2) inform   3) convert   4) engage customers

The Marketing Funnel

Attract	**Awareness**
Inform	**Consideration**
Convert	**Conversion**
Engage	**Loyalty**
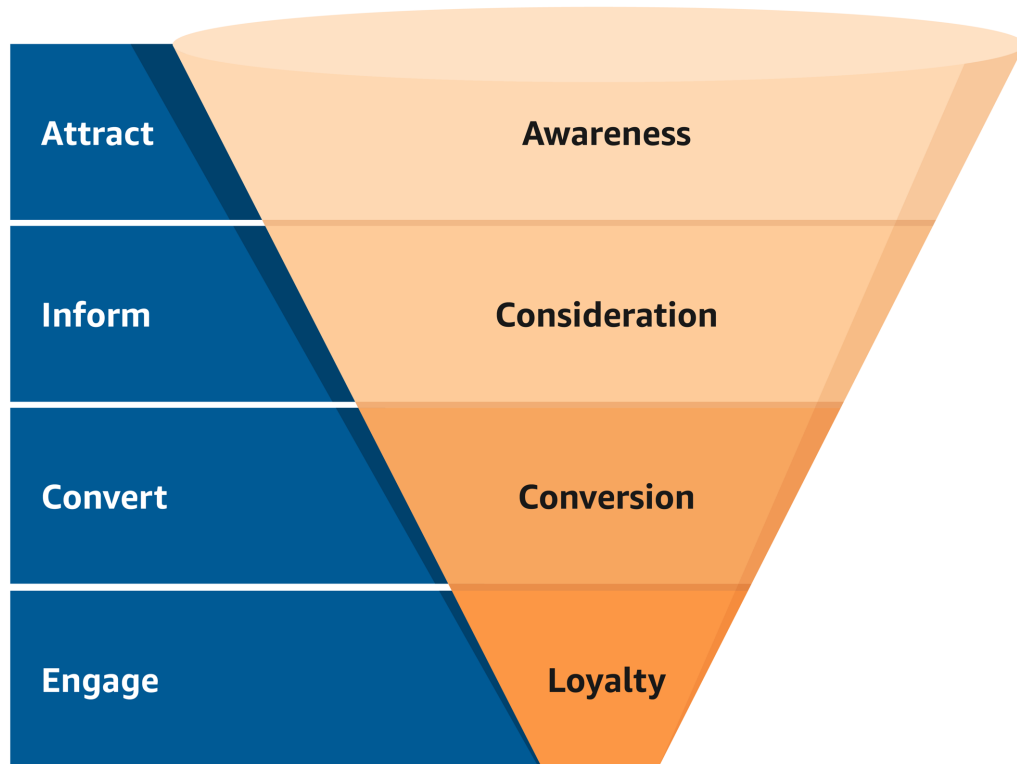
THE 4 STAGES OF THE MARKETING FUNNEL

Second-party data

◦ Data that is shared by another organization about its customers (or its first-party data)

◦ It can be useful
  ◦ if the audience types are the same or have similar demographics
  ◦ if the companies are running a promotion together, or
  ◦ if the companies/organizations have a partnership

Third-party data

◦ Data that has been collected and rented or sold by organizations that do not have a connection to the company or users

◦ Although it is gathered in large volumes and can provide information about users similar to an organization's users, third-party data is not the most reliable because it does not come from an organization's customers or a trusted second-party source

How is marketing data analyzed? (1)

◦ Platforms that can be used to aggregate and structure data before analysis:
  ◦ Google analytics
  ◦ HubSpot
  ◦ Sprout Social
  ◦ SEMRush
  ◦ MailChimp
  ◦ Datorama

How is marketing data analyzed? (2)

◦ In addition to tracking and aggregating data, some of these platforms can be used to conduct analyses and pull out key insights with algorithms

◦ Data can also be manually analyzed by
  ◦ exporting datasets into Microsoft Excel or another statistical program
  ◦ create visual representations of it using graph or chart functions
  ◦ run regressions and other analytical tests

Why is marketing analytics important? (1)

◦ In the modern marketing landscape, accurate data is more important than ever

◦ Consumers are highly selective in choosing the branded media they engage with and the media they ignore

◦ If brands want to catch the ideal buyer's attention, they must rely on accurate data to create targeted personal ads based on individual interests, rather than broader demographic associations

◦ This will allow marketing teams to serve the right ad, at the right time, on the right channel to move consumers down the sales funnel

Why is marketing analytics important? (2)

◦ Improving user experience/Customer support
  ◦ Collecting and analyzing users' first-party data can reveal how they feel about their interactions with an organization's product and website
  ◦ Users' feelings can be explicitly stated (like in a survey) or implicit in their behaviors (like leaving the website shortly after loading the page)
  ◦ For example:
    ◦ Where are the clients/customers struggling?
    ◦ Are there ways to simplify the product or make the check-out process easier?
  ◦ Having this qualitative and quantitative information can allow an organization to make changes that address its user's/customers' needs and increase the potential for leads to become customers

Why is marketing analytics important? (3)

◦ Calculating the ROI of marketing efforts
  ◦ An important function of marketing analytics is calculating monetary gain that can be attributed to specific marketing channels or campaigns
  ◦ Formula:

  ROI = (Net Profit / Cost of Investment) x 100

  ◦ Any time ROI is a positive percentage, the marketing effort can be considered profitable
  ◦ Without data to understand where leads are coming from, calculating the financial impact of specific efforts wouldn't be possible. ROI calculations can determine which marketing efforts drive the most sales and prove projects' value

Why is marketing analytics important? (4)

◦ Planning future marketing strategies
  ◦ With knowledge of customers and the ability to track the marketing efforts' return on investment, marketing analytics provides an opportunity to create data-driven strategies for the organization
  ◦ By analyzing marketing data, one can discover
    ◦ what's working
    ◦ what hasn't worked, and
    ◦ how your customers feel about their experiences with a product and website

Why is marketing analytics important? (5)

- One can also get a full picture of the impact that marketing efforts are having on the organization
- Questions to ask to plan for the future:
  - What should be done more of to reach the quantitative goals?
  - Which effort failed to generate new leads and should be dropped from future plans?
  - What are the customers' trends and preferences?
    - What messaging resonates with them?
    - Which products are they buying, and which have they researched in the past?
    - Which ads are leading to conversions and which are ignored?
  - What types of product features do consumers want?

Challenges of marketing analysis

◦ Data quantity

◦ Data quality

◦ Lack of data scientists

◦ Selecting attribution models

◦ Correlating data

Skills that marketing analytics managers need

◦ Conduct quality analyses

◦ Make optimization recommendations

◦ Understand consumer and MarTech (marketing technology) trends

◦ Work with analytics tools

◦ Collaborate with stakeholders

How to start the marketing analytics process

◦ Understand what you want to measure

◦ Establish a benchmark

◦ Assess your current capabilities

◦ Deploy a marketing analytics tool

END OF PRESENTATION