



The Future of Marketing is Data

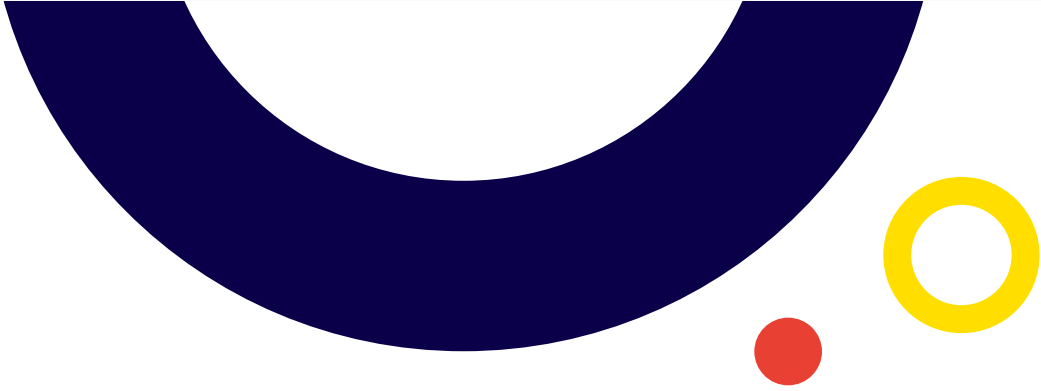


Marketing is all about personal connection. It's about filling a need or desire a customer has with a product or service you offer, and providing value to that customer while doing so. Marketing connects people with a problem they want solved to the business that can solve it.

But too often, companies are simply guessing at who may need their product or service, and may advertise the features of their products without articulating any of the benefits to their customer. Or, they may just assume that everyone will want their product and never put the effort into identifying a target audience of those who will not only benefit from the product or service they offer, but who can become brand ambassadors in the future.

Additionally, consumers today expect personalized experiences with the brands they interact with, from unique online and brick-and-mortar experiences, to customized product offerings, to a personable voice on social media. Just as a blanket advertising approach doesn't work for organizations, a one-size-fits-all experience doesn't work for customers.





But marketers don't just need better awareness about making personal connections with their audience, they need tools to do it as well. There's a shift in looking at how well each product performs to how valuable each customer is, and marketers can only get to know their customer and create that personal connection with data.

With data, marketers can learn:

- what products each customer has bought in the past
- what social media content is resulting in the most purchases
- what keywords customers are searching for
- age, gender, and location
- what their interests are
- how to market to those customer in the future
- and more

This is why the future of marketing will be defined by analytics, or using data in order to more accurately understand who the customer is, what their past behavior has been, and what their future behavior will be. The future of business growth and success will belong to organizations who will use data in smart, insightful, applicable ways.



Marketing Trends for a Data-Driven Future



As we see an increase in data-driven customer connections, here are some trends we'll see in the future of marketing.

Smarter use of data

Marketing teams will increase their use of data in order to learn more about their customers, which will create better targeting, personalization, and connection. More personalized marketing means more returns, as 80% of consumers say they'd be more likely to purchase from a brand that offers personalized experiences, and 72% say they only engage with marketing messages that are specific to their interests.

Growth of AI

There will be an increase in use of AI, machine learning, and algorithms in marketing, as it can predict patterns and make recommendations based on the insights it sees. Already, algorithms choose 70% of what viewers watch on YouTube and 75% of what viewers watch on Netflix, and recommendation algorithms drive 35% of sales on Amazon. Additionally, automation will increase as well, with Gartner predicting that "By 2023, autonomous marketing systems will issue 55% of multichannel marketing messages based on marketer criteria and real-time consumer behavior, resulting in a 25% increase in response rates."



Shift to first-party data

As Google is phasing out its use of cookies, organizations will shift from third-party data to first- and second-party data, which will help them understand their customer more precisely. Giving customers transparency into how data is collected will be a priority as well. According to Kevin Cochrane, the CMO of SAP Customer Experience, "To initiate a more trustworthy relationship, organizations must start by eliminating internal processes of acquiring third-party data. They must use only data that they have earned through explicit customer consent. ... Moving forward, consumers should (and will) have full visibility into how extensively their personal data is being monetized."

More online data

As the COVID-19 pandemic shifted life online, organizations suddenly saw an increase in new data they could collect about their customers, and the trend will only increase. "In the absence of the face-to-face, we had to lean in on digital, and that allowed us to have the information, the data, to then better serve our customers," notes Kevin Warren, CMO of UPS. "This year really has revealed that strategic importance of analytics that maybe wasn't quite there pre-COVID."

Better budget optimization

As marketing teams are able to better target their customers, they'll be able to better optimize their budgets. In wanting to optimize its marketing budget, DoorDash first looked at which ads brought in new customers, drew channel-level cost curves based on the data, and created better ways to deliver. "Accurate, timely, and fine-grained attribution data is the key to understanding and optimizing our marketing," they explain.



Data shared across teams

Data collection and analysis won't just be siloed in the marketing team, but data will be shared across the company so the entire organization can better understand their customers. Poshmark approaches customer data from a team mindset, and **Barkha Saxena, Chief Data Officer, says** that "We have the foundation of very centralized, reliable and easy-to-access data, but then it's delivered to all the teams. It allows for the data to be accessible to all the business users at the time of the decision."

Marketing team mindset shift

Shifting to more data-driven approaches will take a mindset shift, and an increase in new skills and training. "Are there a lot of the gut-instinct folks?" asks **Andrew Stephen of the Saïd Business School** of an organization's marketing team. "Maybe those folks need a bit of upskilling in analytics. Now is not the time to throw darts blindfolded. You really need better intelligence. That's going to come from analytics."





The Marketing of Tomorrow

Data is going to play a major role in marketing success going forward, and will help create more personalized, targeted, emotional connections with current and future customers. Organizations that recognize this, and turn away from guessing what their customer wants, will be the ones to see the most revenue growth and the most brand affiliation.





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