

Demystifying Analytics for Marketers

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Today's marketers are asked to wear many different hats. Keeping up with consumer expectations requires marketers to be agile in their actions. This is why marketers who know how to find, interpret, and speak to their data are often the ones leading the pack. However, leveraging marketing analytics in real situations is often easier said than done. So whether you're new to marketing analytics or need a refresher, **this guide is for you.**

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What is Marketing Analytics?

LET'S START FROM THE BEGINNING...

Marketing analytics refers to software run by marketing teams that analyzes big data to identify changes in metrics over time, and surfaces the contributing factors to that change, in order to improve the decisions marketers make.

This includes metrics around ads, blog posts, email marketing, channel performance, website performance, and more. With so much data available to marketers, **Key Performance Indicators (KPIs)** help to determine which metrics are important to track and analyze.

Marketing analytics are used for things like driving marketing strategy, measuring the success of marketing initiatives, and tracking team performance. Often, a specialist such as a marketing analyst, marketing operations manager, demand generation manager, or similar roles will oversee marketing analytics and report findings up to a VP or C-level executive. However, all marketers should be tracking and reporting on their own KPIs related to their role.

The Value of Marketing Analytics

56% of organizations leveraging analytics experience faster and more effective decision making.¹

180 zettabytes of data will be available by 2025.²

96% of those investing in Big Data and AI are seeing positive results.³

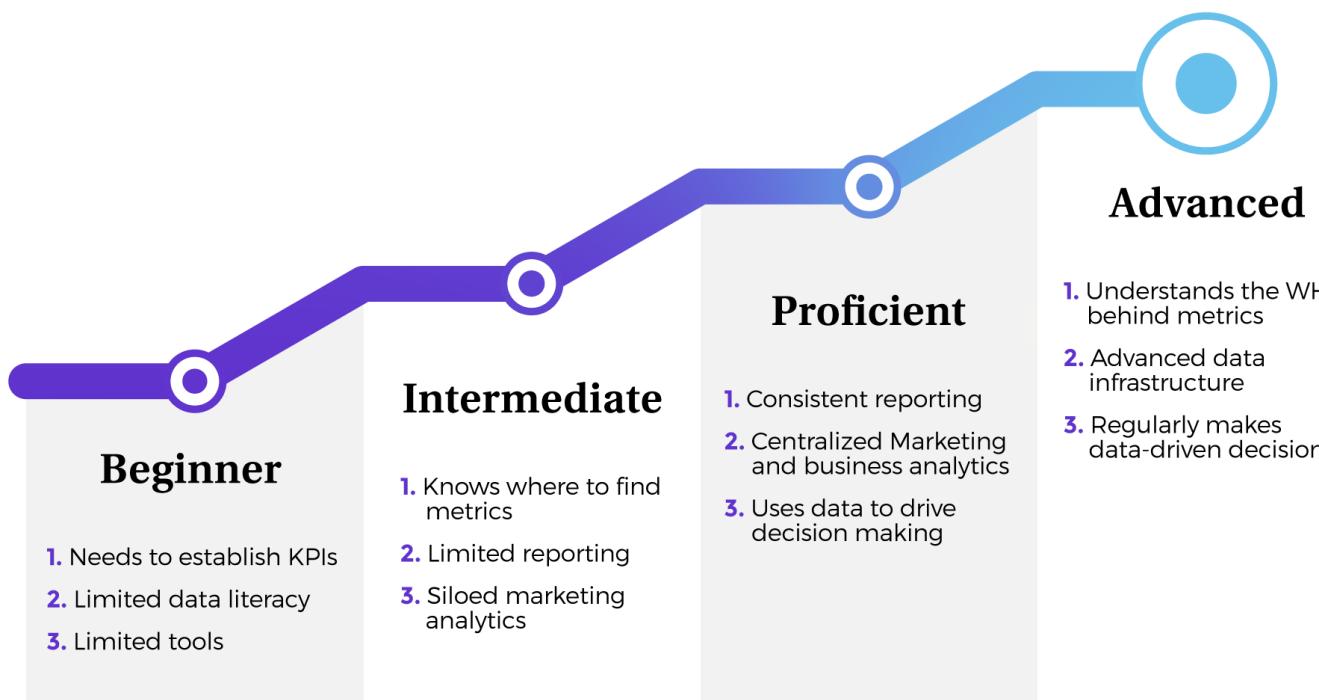
92% of business leaders have indicated the pace of investment in data was accelerating.³

97% of organizations are investing in big data and AI.³

87% of marketers say data is their most underutilized asset.⁴

90% of sales and marketing teams say that cloud analytics is essential to getting their work done.⁵

How Proficient in Marketing Analytics is your Company?



Types of Analytics

It doesn't matter if it's marketing, sales, product, or any other class of analytics, it all comes down to 4 main types: descriptive, diagnostic, predictive, and prescriptive. Let's take a look at the difference between the types of analytics.⁶

Descriptive Analytics

WHAT IS HAPPENING?

Descriptive analytics takes a look at past events and uses them to provide insight into what happened. By looking at past performance, descriptive analytics help to inform business leaders about changes in their KPIs. Descriptive analytics is the most basic form of analytics and can be found in many of the tools marketers use to reach their target audience (marketing automation, social media, website, etc.)

EXAMPLES OF DESCRIPTIVE ANALYTICS:

- Email Open Rate
- Website Traffic
- Conversion Rates

Diagnostic Analytics

WHY IS IT HAPPENING?

Diagnostic analytics is an advanced form of analytics used to help find the why behind the metrics. This type of analytics uses data to determine the causes of trends. Diagnostic analytics is about finding relationships or patterns in the data in an effort to understand why something happened.

EXAMPLES OF DIAGNOSTIC ANALYTICS:

- Identifying Marketing Campaign Issues
- Explaining Buyer Behavior
- Improving Web Conversions

Predictive Analytics

WHAT MIGHT HAPPEN IN THE FUTURE?

Predictive analytics is used to make estimations about future trends by looking at historical data. Predictive analytics rely on regression analysis⁷ to understand the structure of relationships within a set of data and predict outcomes if those relationships were to change. This type of analytics is used to help a business make strategic decisions.

EXAMPLES OF PREDICTIVE ANALYTICS:

- Forecasting Marketing Budget
- Ad Targeting
- Predicting Customer Churn

Prescriptive Analytics

HOW TO TAKE ACTION?

Prescriptive analytics is used to determine the best course of action to take off of the insights found in the data. Prescriptive analytics often relies on machine learning to analyze an immense amount of data at once and help determine the best course of action. The AI recommendations require human review to provide context and discretion around the insights.

EXAMPLES OF PRESCRIPTIVE ANALYTICS:

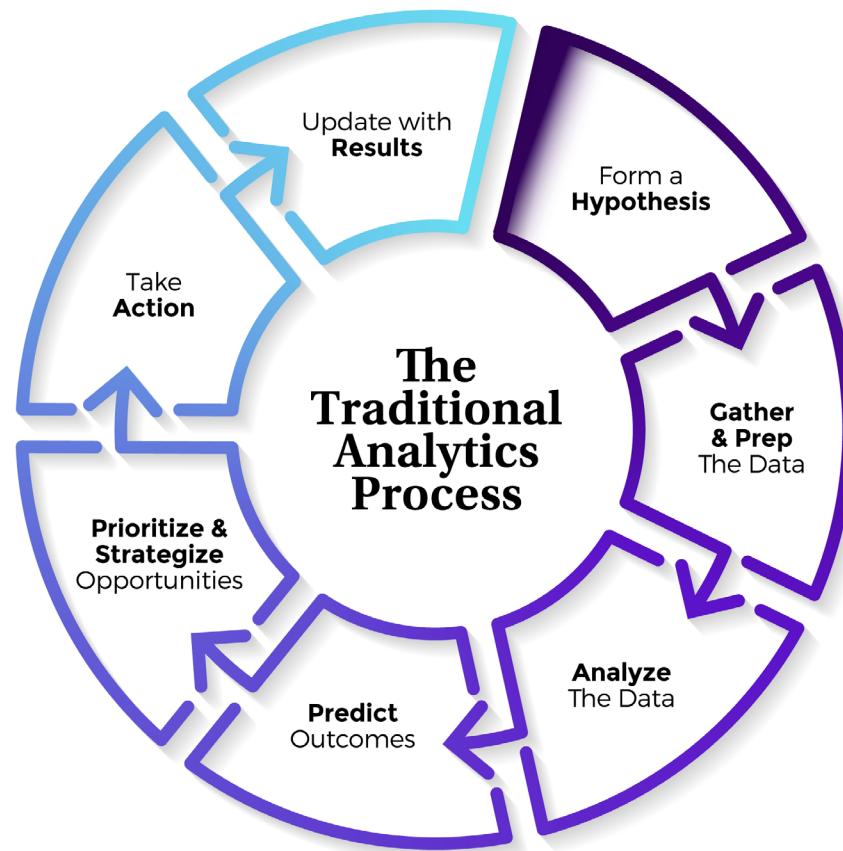
- Lead Scoring
- Email Automation
- Pricing Optimization

The Analytics Process

FROM MANUAL TO AUTOMATED ANALYTICS

The Traditional Analytics Process (Manual)

In order to find insights from data, it must first go through the business analytics process. The traditional analytics process is used by data scientists and analysts alike in order to find insights, strategize opportunities, and act upon the data. This approach is a slow process and can unintentionally lead to bias.



1. FORM A HYPOTHESIS

The first step in the analytics process is to form a hypothesis. What are you hoping to find out by analyzing the data? By working off of a hypothesis, it will keep you focused on a singular goal but it could prevent you from finding answers to the questions you didn't think to ask.

2. GATHER & PREP THE DATA

Next, gather the data from available sources. This data will need to be prepared for analysis by making sure it is organized, labeled, and cleaned. This is the most time-consuming step in the analytics process.

3. ANALYZE THE DATA

This stage is where statistical analysis methods take place and often require the help of an analyst. This requires slicing and dicing data points to find relationships and patterns that lead to insights.

4. PREDICT OUTCOMES

Next, an analyst will model the data using predictive techniques. These techniques will help to uncover some of the most influential patterns or insights that the business can act on.

5. PRIORITIZE & STRATEGIZE OPPORTUNITIES

At this stage, the team will need to become more strategic with the insights they found. Analysts can run 'what-if' scenarios to help prioritize and optimize the best opportunities at hand.

6. TAKE ACTION

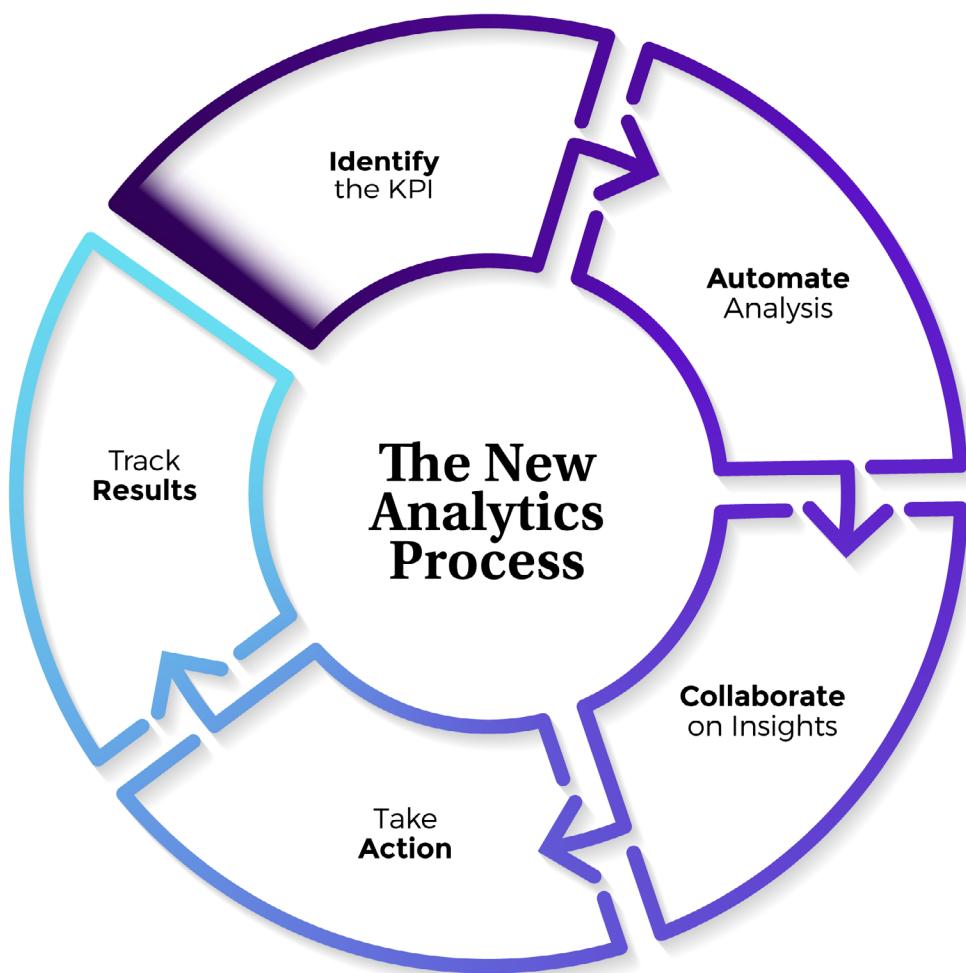
Now it's time for the team to put the insights into action. This step is important because it puts the insights to the test.

7. UPDATE WITH RESULTS

Finally, after you've been able to put your insights into action you can update the system with new data to see if it worked. Here you can ask specific questions about the effectiveness of the insight in order to determine if you found a solution or need to reevaluate.

The New Analytics Process (Automated)

The traditional analytics process is no longer sufficient for today's marketers. Marketers need to be able to analyze their data quickly without reliance on data analysts and find new insights that drive their strategy instead of confirming it. The new analytics process better supports today's marketers by using an automated analytics process delivering insights tied to KPIs — not a hypothesis.



1. IDENTIFY THE KPI

Instead of forming a hypothesis to start the analytics process, the new analytics process starts by identifying the KPI you wish to better understand or improve. This helps to define a focus without limiting the results.

2. AUTOMATE THE ANALYSIS

Instead of passing the data over to a team of analysts, the new analytics process leverages automated analytics tools to speed up the analytics process. An [automated analytics platform](#) leverages AI and machine learning to prepare the data, analyze it, and deliver KPI-specific insights to the user.

3. COLLABORATE ON INSIGHTS

The next step in the new analytics process is to determine which insights present valuable opportunities. This often requires input from various stakeholders throughout the marketing team and organization. Since the insights are tied to KPIs, prioritizing the actions worth taking is a much easier process.

4. TAKE ACTION

The most important step in the analytics process is to take action off the insights. Taking action is the only way to capitalize on the insights you found.

5. TRACK RESULTS

Lastly, you'll want to track the progress of the updates you made based on your insights. In the new analytics process, this step is automated since your data is synced to the automated analytics platform. You'll be able to see the progress of your changes as they're happening — not months later.

Finding Insights

What is an Insight?

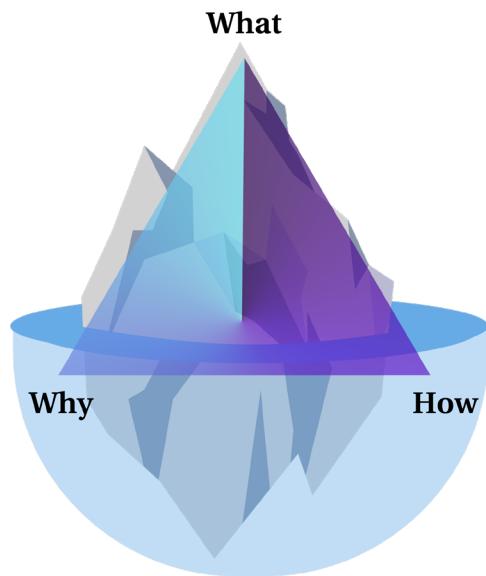
An insight is a deeper understanding of your data, finding a pattern or relationship in the data that you previously didn't know existed. Insights can help you to reach or achieve new goals and ultimately grow the business.

The Key to Better Insights

In order to truly understand your data, you should be able to answer three questions about your analytics:

- 1. What is Happening?**
- 2. Why is it Happening?**
- 3. How Can we Change it?**

Most people have an easy time answering the first question “what is happening”. Your metrics can easily show if your conversion rate is down, if your click-through rates are improving, or if your organic traffic is growing. But this is what we call the “tip of the iceberg” because knowing “what” is going on is a lot easier to see than “why” or “how”.



The Power of Why

Understanding why your metrics are behaving in a certain way is essential to know how to fix or expand upon them. Getting to the “why” behind metrics can be tricky without the help of analysts or [AI-powered analytics](#) tools. This is because we’re often used to focusing solely on what is happening and not why. Finding the why means diving deeper into the data to understand what is truly moving the metrics. For example, if your newly launched campaign is seeing higher conversion rates than usual is it because of your landing page? Or is a certain channel outperforming others? Is a specific age group converting better than others? Knowing the answer to why your metrics are performing a certain way can help you understand how to adjust and ultimately reach your goals faster.

Making Data-Driven Decisions

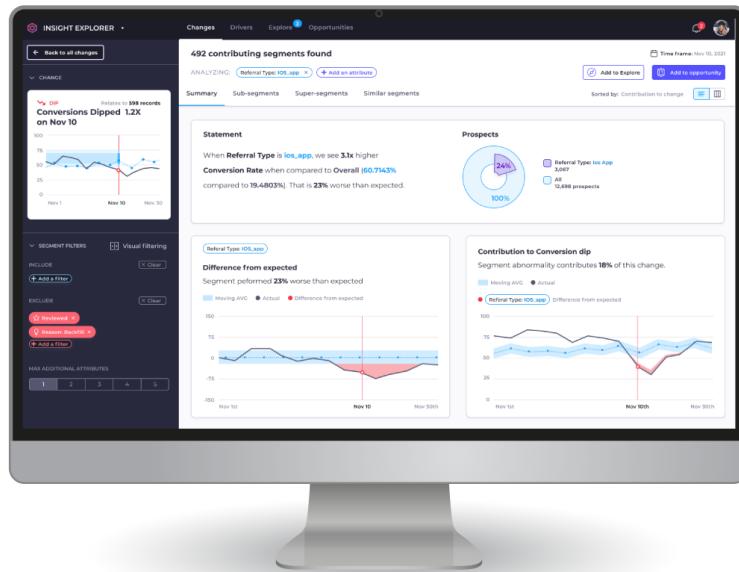
Analytics help marketers make data-driven decisions. This means using metrics and data to drive your strategic decision-making. Finding the why behind your insights is essential to making data-driven decisions because you're relying on data, not gut-feeling or assumptions when making those decisions. Data needs to be incorporated early on in strategy sessions, it shouldn't be used to justify your plan but instead to help guide your strategic planning from the start.

The analytics process is used to find insights but it's only complete once you take action on those insights. Deciding what action to take and when to take it requires collaboration between team members which is why **company-wide data literacy** is so important for making data-driven decisions. A general understanding of how analytics work, the types of insights you may be able to find, and how to apply data to your decision-making is a great place to start.

RESOURCES:

1. <https://www.business2community.com/business-intelligence/12-striking-statistics-from-the-2020-global-state-of-enterprise-analytics-report-02289910>
2. <https://www.statista.com/statistics/871513/worldwide-data-created/>
3. <https://www.businesswire.com/news/home/20210104005022/en/NewVantage-Partners-Releases-2021-Big-Data-and-AI-Executive-Survey>
4. <https://www.invoca.com/blog/state-of-data-driven-marketing-update-your-strategy>
5. <https://www.impactmybiz.com/blog/10-business-intelligence-stats-2020/>
6. <https://online.hbs.edu/blog/post/types-of-data-analysis>
7. <https://www.sciencedirect.com/topics/medicine-and-dentistry/regression-analysis>
8. <https://www.iss.nus.edu.sg/community/newsroom/news-detail/2016/06/24/the-7-step-business-analytics-process>

GET STRAIGHT TO WHY



UNSUPERVISED

Unsupervised's automated analytics platform helps marketers get straight to the why behind their biggest KPIs. Stop slicing and dicing dashboards to get the answers you need, Unsupervised puts marketers in control of all of their data without the need for additional data science investment.

Ready to make better marketing decisions?

Let's Talk